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Neiman Marcus Group Limited, LLC

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

NIRVANA, L.L.C.,

Plaintiff,

v.

MARC JACOBS INTERNATIONAL
L.L.C., et al.,

Defendants.

MARC JACOBS INTERNATIONAL
L.L.C., et al.,

Counterclaim Plaintiffs,

v.

NIRVANA, L.L.C.,

Counterclaim Defendant.

Case No.: 2:18-cv-10743-JAK-SK

**DEFENDANTS' NOTICE OF
MOTION AND MOTION FOR
SUMMARY JUDGMENT;
MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT
THEREOF**

Honorable John A. Kronstadt

Hearing Date: **April 5, 2021**

Hearing Time: 8:30 a.m.

Courtroom: 10B

1 TO ALL PARTIES AND THEIR COUNSEL OF RECORD:

2 Please take notice that on April 5, 2021 at 8:30 a.m., in the courtroom of the
 3 Honorable John A. Kronstadt, located at 350 W 1st Street, Los Angeles, CA 90012,
 4 Courtroom 10B, Defendants and Counterclaim Plaintiffs Marc Jacobs International,
 5 LLC and Saks Incorporated, d/b/a Saks Fifth Avenue (“Saks”) (together,
 6 “Defendants” unless otherwise specifically designated)¹ will and hereby do move
 7 for summary judgment in their favor on all claims of action in the Complaint and
 8 also request summary judgment in their favor on their Counterclaim of copyright
 9 invalidity, all pursuant to Federal Rule of Civil Procedure 56/

10 The motion is based upon this notice of motion and motion, the concurrently
 11 filed declarations of Michael Zinna, as well as the exhibits submitted therewith, and
 12 upon such other and further matters as may be presented at any hearing on this
 13 motion. This motion is made pursuant to Local Rule 7-3. Counsel met and
 14 conferred on October 28, 2020.

23 ¹ On May 7, 2020, Neiman Marcus Group LTD LLC (“NMG”) and its debtor
 24 affiliates filed petitions for chapter 11 bankruptcy, which initiated the bankruptcy
 25 cases captioned In re Neiman Marcus Group LTD LLC, et al., Case No. 20-32519
 26 (DRJ) (Bankr. S.D. Tex.) Nirvana LLC was scheduled on the Reorganized Debtors’
 27 Schedules as a contingent and unliquidated claim. Nirvana LLC did not file a proof
 28 of claim. Article I.A.32 of the bankruptcy plan states that “[a]ny claim that has been
 . . . listed in the Schedules as contingent, unliquidated, or disputed, and for which
 no proof of claim is or has been timely filed . . . shall be expunged without further
 action by the Debtors and without further notice to any party or action, approval, or
 order.” Thus, Nirvana LLC’s claims against NMG were expunged as of Sept. 25,
 2020, and Nirvana LLC is barred from asserting its claim against those entities.

1 DATED: November 2, 2020

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5 By /s/ Michael J. Zinna
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10 *Neiman Marcus Group Limited, LLC*
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TABLE OF CONTENTS

1	I.	INTRODUCTION	1
2	II.	STATEMENT OF UNDISPUTED FACTS	3
3			
4	A.	Procedural Background.....	3
5	B.	Factual Background	3
6	III.	ARGUMENT	5
7			
8	A.	Summary Judgment Standard	5
9	B.	The Court Should Dismiss Nirvana’s Claims Predicated on the	
10		‘166 Registration Because the ‘166 Registration is Invalid as a	
11		Matter of Law.....	5
12	1.	The Author Listed on the ‘166 Registration is Inaccurate;	
13		It Follows that the Work for Hire Designation and	
14		Copyright Claimant are Both Also Inaccurate	6
15	a.	The Author Listed on the ‘166 Registration is	
16		Incorrect.....	7
17	b.	Nirvana, Inc	8
18	c.	The Copyright Office Would Have Refused	
19		Registration.....	8
20			
21	C.	The Court Should Dismiss Nirvana’s Claims Predicated on the	
22		‘166 Registration Because Nirvana Does Not Own the ‘166	
23		Registration	11
24	D.	The Court Should Dismiss Nirvana’s Claims Predicated on the	
25		‘166 Registration Because there is No Substantial Similarity	
26		Between the Accused Products and the Registered Work.....	13
27			
28			

TABLE OF CONTENTS

1	IV. THE ALLEGED TRADEMARK IS NOT VALID OR	
2	PROTECTABLE.....	16
3	A. The Disputed Smiley Is Not Protectable Because It Does Not	
4	Function As a Trademark.....	17
5	1. Consumers Do Not Associate The Disputed Smiley With	
6	The Plaintiff or Any Other Single Anonymous Source	18
7	2. Plaintiff Uses The Disputed Smiley, a Variation of a	
8	Ubiquitous and Commonly Understood Symbol, as Mere	
9	Ornamentation	20
10	B. The Disputed Smiley Is Not Inherently Distinctive and Has Not	
11	Acquired Distinctiveness Among Consumers	23
12		
13	V. EVEN IF PLAINTIFF’S ALLEGED TRADEMARK WAS	
14	PROTECTABLE, THERE IS NO EVIDENCE OF CONSUMER	
15	CONFUSION, AND THEREFORE NO INFRINGEMENT	29
16	A. Nirvana’s Alleged Mark is Weak	31
17	B. Marc Jacobs and Nirvana Goods Are Not Sold in Proximity in	
18	the Marketplace.....	33
19	C. The Parties’ Respective Designations Are Not Similar.....	35
20	D. There is No Evidence of Actual Consumer Confusion	36
21	E. The Parties’ Respective Marketing Channels Differ	37
22	F. Customers of Marc Jacobs Products Are Highly Sophisticated	
23	and Exercise a High Degree of Care in Making Purchasing	
24	Decisions	38
25		
26		
27		
28		

TABLE OF CONTENTS

1	G. There Is No Evidence of Intent to Profit By Confusing	
2	Consumers.....	40
3	H. There Is No Evidence That The Parties Will Expand to Compete	
4	in the Same Market	41
5	VI. NIRVANA’S CLAIMS UNDER CALIFORNIA COMMON LAW	
6	SIMILARLY FAIL	41
7		
8	VII. THIS IS AN EXCEPTIONAL CASE UNDER THE LANHAM ACT,	
9	AND DEFENDANTS SHOULD BE AWARDED THEIR	
10	ATTORNEYS’ FEES.....	42
11	VIII. CONCLUSION	42

TABLE OF AUTHORITIES

Page(s)

Cases

<i>Aliotti v. R. Dakin & Co.</i> , 831 F.2d 898 (9th Cir. 1987)	14
<i>Allstate Ins. Co. v. Kia Motors Am., Inc.</i> , 784 Fed. Appx. 507 (9th Cir. Sept. 6, 2019)	29
<i>Allstate Ins. Co. v. Kia Motors Am., Inc.</i> , No. CV 16-6108 SJO, 2017 U.S. Dist. LEXIS 211399 (C.D. Cal. Dec. 22, 2017)	31
<i>AMF Inc. v. Sleekcraft Boats</i> , 599 F.2d 341 (9th Cir. 1979)	<i>passim</i>
<i>Amusement Art, LLC v. Life Is Beautiful, LLC</i> , No. 2-14-cv-08290-DDP-JPR, 2016 WL 6998566, 2016 U.S. Dist. LEXIS 165429 (C.D. Cal. Nov. 29, 2016)	16, 23
<i>In re Astro-Gods Inc.</i> , 223 USPQ 621 (T.T.A.B. 1984)	22
<i>Black v. Irving Materials, Inc.</i> , 398 F. Supp. 3d 592 (N.D. Cal. 2019)	18
<i>by Eclipse Assocs. Ltd. v. Data Gen. Corp.</i> , 894 F.2d 1114 (9th Cir. 1990)	32
<i>Cairns v. Franklin Mint Co.</i> , 24 F. Supp.2d 1013 (C.D. Cal. 1998)	31
<i>Cavalier v. Random House, Inc.</i> , 297 F.3d 815 (9th Cir. 2002)	13
<i>Celotex Corp. v. Catrett</i> , 477 U.S. 317 (1986)	4, 5, 6
<i>Cohn v. Petsmart, Inc.</i> , 281 F.3d 837 (9th Cir. 2002)	36

1	<i>Cont'l Lab. Prods. v. Medax Int'l, Inc.,</i>	
2	114 F. Supp. 2d 992 (S.D. Cal. 2000)	28
3	<i>Corbello v. Devito,</i>	
4	2015 U.S. Dist. LEXIS 132726 (D. Nev. Sep. 29, 2015).....	14
5	<i>D.C. One Wholesaler, Inc. v. Chien,</i>	
6	120 U.S.P.Q.2D (BNA) 1710 (T.T.A.B. Oct. 4, 2016).....	23
7	<i>Data East USA, Inc. v. Epyx, Inc.,</i>	
8	862 F.2d 204 (9th Cir. 1988)	14
9	<i>In re Dimitri's Inc.,</i>	
10	9 USPQ2d 1666 (T.T.A.B. 1988).....	22
11	<i>DisputeSuite.com, LLC v. CreditUmbrella Inc.</i>	
12	2015 US Dist. LEXIS 187068 (C.D. Cal. Jan. 16, 2015).....	14, 15
13	<i>E&J Gallo Winery v. Gallo Cattle Co.,</i>	
14	967 F.2d 1280 (9th Cir. 1992).....	38
15	<i>Echo Drain v. Newsted,</i>	
16	307 F. Supp. 2d 1116 (C.D. Cal. 2003).....	25
17	<i>Ellison v. Robertson,</i>	
18	357 F.3d 1072 (9th Cir. 2004)	4
19	<i>Express, LLC v. Forever 21, Inc.,</i>	
20	No. CV 09-4514 ODW, 2010 U.S. Dist. LEXIS 91705 (C.D. Cal.	
21	Sep. 2, 2010)	24, 28
22	<i>In re Gen. Tire & Rubber Co.,</i>	
23	404 F.2d 1396 (C.C.P.A. 1969).....	21
24	<i>Glass v. Sue,</i>	
25	CV 09-08570-RGK, 2010 WL 4274581, 2010 U.S. Dist. LEXIS	
26	117598 (C.D. Cal. October 22, 2010)	16, 17, 29
27	<i>Gold Value Int't Textile, Inc. v. Sanctuary Clothing, LLC,</i>	
28	2017 U.S. Dist. LEXIS 181296 (C.D. Cal. 2017)	6, 8, 10
	<i>Grupke v. Linda Lori Sportswear, Inc.,</i>	
	921 F. Supp. 987 (E.D.N.Y. 1996).....	22

1	<i>Harper House, Inc. v. Thomas Nelson, Inc.</i> ,	
2	889 F.2d 197 (9th Cir. 1989).....	14, 15
3	<i>Icebreaker Ltd. v. Gilmar S.P.A.</i> ,	
4	911 F.Supp.2d 1099 (D. Or. 2012).....	36, 38
5	<i>Ink v. Mga Entm't</i> ,	
6	No. 04CV1035.....	22
7	<i>James R. Glidewell Dental Ceramics v. Keating Dental Arts, Inc.</i> ,	
8	No. 11-cv-1309, 2013 WL 655314, 2013 U.S. Dist. LEXIS 24824	
9	(C.D. Cal. Feb. 21, 2013)	30
10	<i>JL Bev. CO. LLC v. Beam, Inc.</i> ,	
11	318 F. Supp. 3d 1188 (D. Nev. 2018)	31
12	<i>Johnson & Johnson v. Actavis Group HF</i> ,	
13	No. 06 CV 8209-DLC, 2008 WL 228061 (S.D.N.Y. Feb. 21, 2008)	27
14	<i>Kookai, S.A., v. Shabo</i> ,	
15	950 F.Supp. 605 (S.D.N.Y. 1997)	38
16	<i>Lee v. Mike's Novelties, Inc.</i> ,	
17	No. CV 10-2225-VBF, 2011 U.S. Dist. LEXIS 161851 (C.D. Cal.	
18	August 2, 2011)	16, 25
19	<i>Lindy Pen Co. v. Bic Pen Corp.</i> ,	
20	725 F.2d 1240 (9th Cir. 1984).....	35, 39
21	<i>Lipoplus, Inc. v. Kohan</i> ,	
22	No. CV 18-10220 PSG, 2019 U.S. Dist. LEXIS 229382 (C.D. Cal.	
23	Dec. 19, 2019)	33, 34, 35
24	<i>In re Lululemon Athletica Can. Inc.</i> ,	
25	105 U.S.P.Q.2D (BNA) 1684 (T.T.A.B. Jan. 11, 2013)	20
26	<i>M2 Software, Inc. v. Madacy Entm't</i> ,	
27	421 F.3d 1073 (9th Cir. 2005).....	29, 30, 32, 39
28	<i>Marcus v. ABC Signature Studios, Inc.</i>	
	279 F. Supp. 3d 1056 (C.D. Cal. 2017).....	5, 13
	<i>Marya v. Warner/Chappel Music, Inc.</i>	
	131 F.Supp. 3d 975 (C.D. Cal. 2015).....	5, 8

1	<i>Masquerade Novelty, Inc. v. Unique Indus., Inc.</i>	
2	912 F.2d 663 (3rd Cir. 1990).....	5
3	<i>Mattel Inc. v. Walking Mt. Prods.,</i>	
4	353 F.3d 792 (9th Cir. 2003).....	17
5	<i>In re Melville Corp.,</i>	
6	228 U.S.P.Q. (BNA) 970 (T.T.A.B. Jan. 9, 1986).....	21
7	<i>Milbank Tweed Hadley & McCloy LLP v. Milbank Holding Corp.,</i>	
8	2007 U.S. Dist. LEXIS 97934 (C.D. Cal. February 23, 2007)	16, 26
9	<i>Miss World (UK), Ltd. v. Mrs. Am. Pageants, Inc.,</i>	
10	856 F.2d 1445 (9th Cir. 1988).....	32
11	<i>Moose Creek, Inc. v. Abercrombie & Fitch Co.,</i>	
12	331 F. Supp. 2d 1214 (C.D. Cal. 2004).....	31
13	<i>Multi Time Mach., Inc. v. Amazon.com, Inc.,</i>	
14	804 F.3d 930 (9th Cir. 2015).....	38
15	<i>MZ Wallace Inc. v. Fuller,</i>	
16	No. 18cv2265(DLC), 2018 U.S. Dist. LEXIS 214754 (S.D.N.Y.	
17	Dec. 20, 2018)	25
18	<i>Nabisco, Inc. v. PF Brands, Inc.,</i>	
19	191 F.3d 208 (2d Cir. 1999)	36
20	<i>In re Neiman Marcus Group LTD LLC, et al., Case No. 20-32519</i>	
21	(DRJ) (Bankr. S.D. Tex.).....	1
22	<i>Network Automation, Inc. v. Advanced Sys. Concepts,</i>	
23	638 F.3d 1137 (9th Cir. 2011).....	33
24	<i>Network Automation, Inc. v. Hewlett-Packard Co.,</i>	
25	No. 08-cv-4675-JFW, 2009 WL 5908719, 2009 U.S. Dist. LEXIS	
26	125835 (C.D. Cal. Sept. 14, 2009)	25
27	<i>Nikon, Inc. v. Ikon Corp.,</i>	
28	1992 U.S. Dist. LEXIS 6299 (S.D.N.Y. May 1, 1992).....	20
	<i>Novadaq Techs. v. Karl Storz GMBH & Co. K.G.,</i>	
	No. 14-cv-04853-PSG, 2015 U.S. Dist. LEXIS 170423 (N.D. Cal.	
	Dec. 18, 2015)	31


1	<i>Oculu, LLC v. Oculus VR, Inc.,</i>	
2	No. SACV 14-0196	30, 36
3	<i>Olander Enters. Inc. v. Spencer Gifts, LLC,</i>	
4	812 F. Supp. 2d 1070 (C.D. Cal. 2001)	5
5	<i>In re Peace Love World Live, LLC,</i>	
6	127 USPQ2d 1400 (T.T.A.B. 2018)	21
7	<i>Petrella v. Metro Goldwyn Mayer, Inc.</i>	
8	572 U.S. 663 (2014)	11
9	<i>Playboy Eters, Inc. v. Netscape Comm's Corp.,</i>	
10	55 F. Supp.2d 1070 (C.D. Cal. 1999) <i>aff'd</i> 202 F.3d 278 (9th Cir.	
11	1999)	30
12	<i>Reed Elsevier, Inc. v. Muchnick,</i>	
13	559 U.S. 154, 130 S. Ct. 1237, 176 L.Ed.2d 18 (2010)	5
14	<i>Reeves v. Gen. Nutrition Ctrs.,</i>	
15	No. SA CV10-01653 JAK, 2012 WL 13018362, 2012 U.S. Dist.	
16	LEXIS 200682 (C.D. Cal. Apr. 2, 2012) (Kronstadt, J.)	31, 32
17	<i>Reserve Media, Inc. v. Efficient Frontiers, Inc.,</i>	
18	No. CV 15-05072, 2017 U.S. Dist. LEXIS 4878 (C.D. Cal. January	
19	11, 2017)	16, 17, 26
20	<i>Rise Basketball Skill Dev., LLC v. K Mart Corp.,</i>	
21	No. 16-cv-04895-WHO, 2017 U.S. Dist. LEXIS 179695 (N.D. Cal.	
22	Oct. 27, 2017)	37, 40
23	<i>Rock & Roll Religion, Inc. v. Cels Enters., Inc.,</i>	
24	No. CV09-5258	<i>passim</i>
25	<i>Rubber Stamp Mgmt. v. Kalmbach Publ'g Co.,</i>	
26	No. C06-0277RSM, 2007 U.S. Dist. LEXIS 33367 (W.D. Wash.	
27	May 4, 2007)	26
28	<i>Saks & Co. v. Hill,</i>	
	843 F. Supp. 620 (S.D. Cal. 1993)	38
	<i>Seal Shield, Ltd. Liab. Co. v. Otter Prods., Ltd. Liab. Co.,</i>	
	680 Fed. Appx. 560 (9th Cir. 2017)	18

1	<i>Seal Shield, Ltd. Liab. Co. v. Otter Prods., Ltd. Liab. Co.,</i>	
2	No. 13-cv-2736-CAB (NLS), 2014 U.S. Dist. LEXIS 185778 (S.D.	
3	Cal. Nov. 3, 2014) <i>aff'd</i> 680 Fed. Appx. 560 (9th Cir. 2017).....	16
4	<i>Silas v. Home Box Office, Inc.</i>	
5	201 F. Supp 3d 1158 (C.D. Cal. 2016).....	13
6	<i>Smith v. Wal-Mart Stores, Inc.,</i>	
7	537 F. Supp. 2d 1302 (N.D. Ga. March 20, 2008).....	20
8	<i>In re Soccer Sport Supply Co.,</i>	
9	507 F.2d 1400 (C.C.P.A. 1975).....	24
10	<i>Surfvivor Media, Inc. v. Survivor Prods.,</i>	
11	406 F.3d 625 (9th Cir. 2005).....	40
12	<i>Surgicenters of Am., Inc. v. Med. Dental Surgeries, Co.,</i>	
13	601 F.2d 1011 (9th Cir. 1979).....	16
14	<i>Tie Tech, Inc. v. Kinedyne Corp.,</i>	
15	296 F.3d 778 (9th Cir. July 11, 2002).....	18
16	<i>Toho Co. v. Sears, Roebuck & Co.,</i>	
17	645 F.2d 788 (9th Cir. 1981).....	16, 39
18	<i>Two Pesos, Inc. v. Taco Cabana, Inc.,</i>	
19	505 U.S. 763 (1992).....	17
20	<i>Unicolors, Inc. v. Urban Outfitters, Inc.</i>	
21	853 F.3d 980 (9th Cir. 2017).....	9
22	<i>United Fabrics Int'l, Inc. v. C&J Wear, Inc.</i>	
23	630 F.3d 1255 (9th Cir. 2011).....	5
24	<i>Vision Sports, Inc. v. Melville Corp.,</i>	
25	888 F.2d 609 (9th Cir. 1989).....	18
26	<i>Walter v. Mattel, Inc.,</i>	
27	210 F.3d 1108 (9th Cir. 2000).....	29, 30
28	<i>Yankee Spirits, Inc. v. Gasbarro,</i>	
	CIVIL NO.96-10967PBS, 1998 U.S. Dist. LEXIS 22159 (D. Mass.	
	May 26, 1998).....	19

1	<i>Yellow Cab Co. v. Yellow Cab of Elk Grove, Inc.,</i>	
2	419 F.3d 925 (9th Cir. 2005)	16
3	Statutes	
4	15 U.S.C. §1125(a)	30
5	15 U.S.C. § 1127.....	17
6	17 U.S.C. 411(a)	5
7	17 U.S.C. § 101 <i>et seq.</i>	3
8	17 U.S.C §§ 408(a), 411(a).....	5
9	17 U.S.C. § 410(c)	5
10	17 U.S.C. §501(b)	11
11	17 USC 101, 201(b).....	11
12	17 USC 201(b)	11
13	17 USC 204(a)	11
14	Lanham Act.....	1, 2, 29, 34
15	Lanham Act (15 U.S.C. §1125(a) <i>et seq.</i>)	3
16	Other Authorities	
17	Fed. R. Civ. P. 56(a)	4
18	Federal Rule of Civil Procedure 56	1
19	<i>L.A. Printex</i>	9
20	Rule 11	2, 9
21	Rule 30(b)(6).....	26
22		
23		
24		
25		
26		
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28		

Pursuant to Federal Rule of Civil Procedure 56, Defendants Marc Jacobs International, LLC (“MJJ”) and Saks Incorporated, d/b/a Saks Fifth Avenue (“Saks”) (together, “Defendants” unless otherwise specifically designated)² move for summary judgment dismissing all of Plaintiff’s claims in this action with prejudice, in their entirety, as a matter of law, and granting Defendants’ counterclaim for declaratory relief, in its entirety, as a matter of law.

I. INTRODUCTION

It is ironic how much trouble a smile can cause. Plaintiff Nirvana, L.L.C. (“Plaintiff”) initiated this action on December 28, 2018, alleging that MJJ, Saks and NMG infringed a copyrighted tee shirt design (the “Registered Work”) and unregistered common law trademark  (the “Disputed Smiley”) purportedly owned by Plaintiff, through their sales of a sweatshirt, tee shirt and socks that contain a graphic of a smiley face with an “M” and “J” for eyes. The Complaint alleges that this activity constitutes copyright infringement, false designation of origin under the Lanham Act, and trademark infringement and unfair competition under California common law. Each of Plaintiff’s claims should be dismissed on summary judgement for several reasons.

First, the copyright claim is barred for failure to satisfy the preconditions of a valid copyright registration. Many of the statements in the registration are false. The name of the author is wrong. The name of the copyright claimant is wrong.

² On May 7, 2020, Neiman Marcus Group LTD LLC (“NMG”) and its debtor affiliates filed petitions for chapter 11 bankruptcy, which initiated the bankruptcy cases captioned In re Neiman Marcus Group LTD LLC, et al., Case No. 20-32519 (DRJ) (Bankr. S.D. Tex.) Nirvana LLC was scheduled on the Reorganized Debtors’ Schedules as a contingent and unliquidated claim. Nirvana LLC did not file a proof of claim. Article I.A.32 of the bankruptcy plan states that “[a]ny claim that has been . . . listed in the Schedules as contingent, unliquidated, or disputed, and for which no proof of claim is or has been timely filed . . . shall be expunged without further action by the Debtors and without further notice to any party or action, approval, or order.” Thus, Nirvana LLC’s claims against NMG were expunged as of Sept. 25, 2020, and Nirvana LLC is barred from asserting its claim against those entities.

1 The designation as a “work made for hire” is wrong. The publication date is
2 wrong. Had the Copyright Office known about these errors, it would not have
3 issued the registration in the form it is currently in, so the registration as it stands is
4 invalid. Even if the registration could stand, the copyright claim should be
5 dismissed because the registration is not owned by Plaintiff. This entire case starts
6 from the false premise that Mr. Kurt Cobain created the tee shirt design that is the
7 subject of the registration. However, the evidence in the record shows that the
8 creator of the registered tee shirt design is art director Mr. Robert Fisher, who was
9 not an employee of Plaintiff’s processor Nirvana, Inc., the copyright claimant listed
10 on the registration, and who has sworn that he did not transfer his rights anyone.
11 There is no written or oral agreement that says otherwise. Finally, the copyright
12 claim should be dismissed because there is no substantial similarity between the
13 protectable expression of the Registered Work and the smiley face with “M” and
14 “J” eyes used by Defendants.

15 *Second*, the Lanham Act claim should be dismissed for several independent
16 reasons. Plaintiff purports to own an unregistered trademark in the Disputed
17 Smiley that is part of the Registered Work. But the Disputed Smiley is not
18 protectable because it is a ubiquitous symbol that consumers do not associate it
19 with Plaintiff or a single anonymous source, Plaintiff uses the Disputed Smiley as
20 mere ornamentation, and the designation has no inherent or acquired
21 distinctiveness. Even if the Disputed Smiley was protectable, there is no evidence
22 of confusion, so there can be no finding of infringement.

23 Plaintiff’s remaining claims under California common law are premised on
24 the same conduct underlying the infringement claims under federal law, and should
25 similarly fail.

26 This lawsuit has been advanced in bad faith since the beginning. Plaintiff has
27 scrambled to fix factual problems and secure rights that it did not have (but should
28 have had) at the inception of the case, even past the close of fact discovery, as

1 detailed in Defendants’ Rule 11 motion filed contemporaneously herewith.
 2 Defendants respectfully submit that summary judgment should be granted in
 3 Defendants’ favor on all claims, as well as on Defendants’ counterclaim for a
 4 declaration that the alleged registration is invalid.

5 **II. STATEMENT OF UNDISPUTED FACTS**

6 A comprehensive recitation of the material facts in this case which are
 7 not in dispute is contained in the concurrently filed Statement of
 8 Uncontroverted Facts and Conclusions of Law (“SUF”). The citations to SUF
 9 throughout this memorandum of points and authorities refer to the facts and
 10 supporting evidence set forth in Defendants’ Statement of Uncontroverted
 11 Facts and Conclusions of Law which Defendants incorporate by reference.

12 **A. Procedural Background**

13 Plaintiff commenced this action on December 28, 2018, alleging claims of
 14 copyright infringement, under 17 U.S.C. § 101 *et seq.*, false designation of origin
 15 under the Lanham Act (15 U.S.C. §1125(a) *et seq.*), trademark infringement under
 16 California common law and unfair competition under California common law
 17 against all of the Defendants. SUF 5.

18 On November 26, 2019, Defendants filed their Answer and separately filed a
 19 Counterclaim seeking a declaration that the registration at issue in this action is
 20 invalid, and an order directing the Register of Copyrights to cancel the registration.
 21 SUF 6.

22 **B. Factual Background**

23 Plaintiff’s copyright cause of action is predicated on the claim that Plaintiff
 24 owns U. S. Copyright Reg. No. VA 0000564166 (the “166 Registration”), which
 25 covers the Registered Work, the complete tee shirt design shown below:
 26
 27
 28



SUF 7.

Plaintiff also claims that the ‘166 Registration covers the X-Eyes Smiley Face contained in the ‘166 Registration, which it sometimes calls the “Smiley Face design and logo” or “Happy Face” (also referred to herein as the “Disputed Smiley”). SUF 8. The Accused Products in this case are a sweatshirt, tee shirt and socks that only allegedly misappropriate two features of the Registered Work: the roughly circular outline and the squiggly mouth of the Disputed Smiley. SUF 9.

Plaintiff also claims to own common law trademark rights in the Disputed Smiley Face. SUF 10.

Mr. Robert Fisher is a graphic artist who has submitted a sworn declaration and sworn deposition testimony stating that he is the creator and owner of the Registered Work. SUF 11. Mr. Fisher has also detailed with specificity at his deposition and in motion papers the process he used to create the Disputed Smiley and materials he used. SUF 12. He has produced documents evidencing the fruits of this labors on this project, including what he calls the original Xerox blow-up of the Disputed Smiley. SUF 13.

No witness who has testified in this case purports to have first-hand knowledge that anyone other than Mr. Fisher created the Registered Work. SUF 14.

1 **III. ARGUMENT**

2 A. Summary Judgment Standard

3 Summary judgment should be granted where “there is no genuine issue as to
4 any material fact, and the moving party is entitled to judgment as a matter of law.”
5 Fed. R. Civ. P. 56(a); *Celotex Corp. v. Catrett*, 477 U.S. 317, 322 (1986); *Ellison v.*
6 *Robertson*, 357 F.3d 1072, 1075 (9th Cir. 2004). As explained by the Supreme
7 Court, summary judgement is “not ... a disfavored procedural shortcut, but ... an
8 integral part of the Federal Rules,” designed to “secure the just, speedy and
9 inexpensive determination of every action.” *Celotex Corp.* 477 U.S. 327.

10 Summary judgement is appropriate where a claimant “fail[s] to make a
11 showing sufficient to establish the existence of an element essential to that party’s
12 case, and on which that party will bear the burden of proof at trial.” *Id.* at 322. In
13 other words, a failure of proof concerning an essential element of the non-moving
14 party’s case necessarily renders all other facts immaterial and makes summary
15 judgment proper. *Id.* at 323.

16 B. The Court Should Dismiss Nirvana’s Claims Predicated on the ‘166 17 Registration Because the ‘166 Registration is Invalid as a Matter of 18 Law

19 To establish a claim for copyright infringement, a plaintiff must show that it
20 is (1) the owner (2) of a valid copyright and (3) the defendant copied original
21 elements of the work which are protectable by copyright. 17 U.S.C. 411(a); *see*
22 *also Marcus v. ABC Signature Studios, Inc.* 279 F. Supp. 3d 1056, 1064 (C.D. Cal.
23 2017); *Olander Enters. Inc. v. Spencer Gifts, LLC*, 812 F. Supp. 2d 1070, 1074-75
24 (C.D. Cal. 2001). Here, there is no genuine issue of material fact regarding any of
25 these elements.

26 A copyright registration is a precondition to filing an action for copyright
27 infringement. 17 U.S.C §§ 408(a), 411(a); *Reed Elsevier, Inc. v. Muchnick*, 559
28 U.S. 154, 157, 130 S. Ct. 1237, 176 L.Ed.2d 18 (2010). A copyright registration

1 certificate shall constitute *prima face* evidence of the validity of the copyright and
 2 of the facts stated in the certificate. 17 U.S.C. § 410(c). Once a claimant has shown
 3 that it has a certificate of registration, the burden of proof shifts to the opposing
 4 party who must offer some evidence of proof to dispute or deny the claimant's
 5 *prima face* case. *See Marya v. Warner/Chappel Music, Inc.* 131 F.Supp. 3d 975,
 6 985 (C.D. Cal. 2015)(citing *United Fabrics Int'l, Inc. v. C&J Wear, Inc.* 630 F.3d
 7 1255, 1257 (9th Cir. 2011)). The presumption "is not an insurmountable one, and
 8 merely shifts to the [challenger] the burden to prove the invalidity of the []
 9 copyrights." *Id.* But when there is a material mistake in the registration, the
 10 presumption of validity is rebutted, if not voided altogether. *Id.*; *see also*
 11 *Masquerade Novelty, Inc. v. Unique Indus., Inc.* 912 F.2d 663, 668 (3rd Cir. 1990).
 12 A certificate of registration satisfies the registration requirement regardless of
 13 whether the certificate contains inaccurate information unless (1) the inaccurate
 14 information was included in the application for copyright registration with
 15 knowledge that it was inaccurate and (2) the inaccuracy of the information, if
 16 known, would have caused the Register of Copyrights to refuse registration. *Gold*
 17 *Value Int't Textile, Inc. v. Sanctuary Clothing, LLC*, 2017 U.S. Dist. LEXIS
 18 181296, *5-6 (C.D. Cal. 2017). The registrant must then come forth with evidence
 19 to support its claim and create a genuine issue for trial. *See Celotex Corp.* 477 U.S.
 20 at 324.

21 1. *The Author Listed on the '166 Registration is Inaccurate;*
 22 *It Follows that the Work for Hire Designation and*
 23 *Copyright Claimant are Both Also Inaccurate*

24 The author on the '166 Registration is listed as Nirvana, Inc. SUF 15. The
 25 '166 Registration also states on its face that it is a "work made for hire." SUF 16.
 26 This is because Nirvana, Inc. claimed to have received rights in the '166
 27 Registration from Kurt Cobain, its (alleged) employee and the (alleged) creator of
 28

1 the Registered Work. SUF 17. But Mr. Cobain is not the creator of the Registered
2 Work. SUF 18.

3 a. **The Author Listed on the ‘166 Registration is**
4 **Incorrect**

5 On February 3, 2020, Plaintiff produced documents showing that Robert
6 Fisher, not Kurt Cobain, is the creator of the Registered Work and its X-Eyes
7 Smiley Face. SUF 19. Mr. Fisher’s relationship to Plaintiff and the band Nirvana
8 hardly makes this a shocking revelation. Mr. Fisher began creating artwork for the
9 band Nirvana almost 30 years ago while working with Geffen Records, Nirvana’s
10 record label at the time. SUF 20. It is not disputed that Mr. Fisher created artwork
11 for use in connection with Nirvana’s albums and promotional materials in 1991,
12 when the Registered Work was created. SUF 21.

13 Mr. Fisher emailed Mr. Michael Meisel of Nirvana’s management company
14 on Nov. 27, 2019 stating pointedly, “I’m the one that drew the smiley face logo.”
15 SUF 22. In a separate email to Mr. Meisel, Mr. Fisher attached what he called “the
16 original Xerox blowup” of the X-Eyes Smiley Face. SUF 23. Mr. Fisher also
17 submitted a sworn declaration in this case that he is the creator of the Registered
18 Work and that he has not transferred his rights to any third party. SUF 24. He
19 testified to the same during his deposition. SUF 25.

20 There is no evidence in the record to create a genuine issue of material fact
21 regarding Mr. Fisher’s status as the creator of the Registered Work. The record is
22 devoid of any testimony from anyone who claims to have first-hand knowledge that
23 Mr. Cobain (or anyone other than Robert Fisher) created the Registered Work or its
24 Disputed Smiley. SUF 26. Every single person who was asked this question said
25 that they did not, in fact, have first-hand knowledge of creation by Mr. Cobain.
26 SUF 27. The best Plaintiff has been able to do is proffer declarations from several
27 individuals that say, essentially, that they know Mr. Cobain was a gifted artist.
28 SUF 28. Even in the absence of other evidence, these statements would not create a

1 genuine issue of fact regarding the creator of the Registered Work, but they
 2 certainly cannot create a genuine issue of fact here, in the face of Robert Fisher's
 3 sworn testimony, sworn declaration and documentary evidence that show he is the
 4 creator and owner of the Disputed Smiley. SUF 29.

5 At the least, Mr. Fisher's testimony, declaration and documents rebut the
 6 presumption of validity that the '166 Registration would initially be afforded.
 7 Defendants do not have the burden of proof on the issue of authorship, so they may
 8 discharge their initial burden by pointing to affirmative evidence negating
 9 Plaintiff's authorship claim. *Marya v. Warner/Chappel Music*, 131 F. Supp 3d. 975,
 10 988 (2015). Plaintiff has the burden of proof because Plaintiff must show that its
 11 interest can be traced back to the true author. *See id.*

12 **b. Nirvana, Inc. Had Knowledge of the Inaccuracy**

13 Mr. Fisher testified that he supplied the artwork contained in the Registered
 14 Work to Nirvana's representative (and 30(b)(6) witness in this case) John Silva at
 15 the time of creation in 1991. SUF 30. Mr. Silva does not dispute Mr. Fisher's
 16 statement that the artwork was provided by Mr. Fisher to Mr. Silva or a
 17 representative of his company. SUF 31.

18 **c. The Copyright Office Would Have Refused**
 19 **Registration**

20 The Copyright Office would have refused registration here because the error
 21 was not the type of immaterial mistake that could be remedied by a supplemental
 22 registration. This Court has found the misnaming of an author on a copyright
 23 registration to be a "facial and material mistake in the registration certificate."
 24 *Marya v. Warner/Chappel Music, Inc.* 131 F. Supp 3d 975, 987 (C.D. Cal. 2015).

25 The gravity of the mistake here was also similar to the error in the
 26 registration that was at issue in *Gold Value*. There, this Court found that a
 27 registration of a published work as part of an unpublished collection was invalid.
 28 *Gold Value Int't Textile, Inc. v. Sanctuary Clothing, LLC*, 2017 U.S. Dist. LEXIS

1 181296 (C.D. Cal. 2017). The Court asked the Register of Copyrights whether it
2 would have rejected the registration-in-suit if “the Register of Copyrights had
3 known that, although Plaintiff had characterized the work as an unpublished
4 collection that included the 1461 Design, Plaintiff previously had published the
5 1461 Design ...?” *Id.* at 4 – 5. The Register responded that it would have denied
6 registration. *Id.* at 5. The Court noted that this was well reasoned, in that the
7 response was consistent with Copyright Office guidelines with respect to correcting
8 mistakes, which states, “a supplemental registration is not appropriate if the work
9 was registered as unpublished when it was actually published at the time of
10 registration.” The decisions in similar cases has often hinged on whether
11 supplemental registration was available and sought. *See e.g., Unicolors, Inc. v.*
12 *Urban Outfitters, Inc.* 853 F.3d 980, 984 (9th Cir. 2017)(holding that Copyright
13 Office would not have rejected registration of an error where it approved a request
14 to correct the inadvertent exclusion); *L.A. Printex Indus., Inc. v. Aeroposale, Inc.*
15 676 F.3d 841 (9th Cir. 2012) (removing published designs from unpublished
16 collection did not invalidate the registration as to the unpublished-designs-in-suit
17 because registrant worked with the Copyright Office to correct the error and was
18 issued a supplemental registration).

19 Here, a supplemental registration would not be available because a
20 supplemental registration cannot be used to reflect a transfer of rights in the work.
21 *See* Copyright Compendium III § 1802.7(B). A change to the author would create
22 a transfer of rights, because those rights would no longer rest with Nirvana, Inc. or
23 its predecessors; they would rest with Robert Fisher. In any event, no supplemental
24 registration was sought by Plaintiff here to correct the errors created by misnaming
25 the author as Nirvana, Inc. Nor could Plaintiff take such an action without creating
26 other problems for itself. If Plaintiff tried to change the author to Robert Fisher,
27 Plaintiff would have no standing because Mr. Fisher claims that he has not
28

1 transferred rights in the Registered Work to anyone. SUF 33.³

2 Because the author listed on the ‘166 Registration is wrong, it follows that
3 two other key components of the registration are also faulty. The registration states
4 that the work is a work made for hire, but it is not – there can be no work for hire
5 from Mr. Cobain to Nirvana, Inc. as alleged in the Complaint if Mr. Cobain is not
6 the creator of the Registered Work. The registration also states that the copyright
7 claimant is Nirvana, Inc., which it never would have been if the author was listed
8 correctly as Robert Fisher, because Mr. Fisher would have been the claimant. SUF
9 34. Separately, the publication date is also wrong. The ‘166 Registration lists the
10 first date of publication as November 1, 1991. SUF 35. Mr. Mark Kates testified
11 that a tee shirt containing the entire Registered Work was distributed to radio
12 station disk jockeys in August, 1991. SUF 36. Thus, four key facts contained in the
13 ‘166 Registration: the author of the work, the claimant of the work, whether the
14 work was a work for hire, and the publication date were all *wrong*. To allow
15 registrations with this many fundamental errors to stand without repercussions
16 would undercut the public policy of submitting accurate documents to the
17 Copyright Office. Plaintiff’s member Mr. Krist Novoselic claims that Nirvana,
18 “always wanted everything filed with the U.S. Copyright Office to be completely
19 accurate because that was the right thing to do and because filing documents that
20 are inaccurate with government agencies can only cause problems we did not or do
21 not want or need.” SUF 37. Yet this was not done.

22 Accordingly, because the Copyright Office would have refused registration⁴

23
24 ³ Such a move by Plaintiff would also be an admission that would impact Plaintiff
negatively in responding to Defendants’ Rule 11 motion.

25 ⁴ Defendants respectfully suggest that the Court follow the course of action it
26 employed in *Gold Value*, and ask the Register of Copyrights whether it would have
27 refused registration if it was aware of the inaccuracies. Questions to the Register of
28 Copyrights could include: (1) Would the Register have rejected Reg. No.
VA0000564166 if, at the time of application, it knew that the author listed in the
registration was inaccurate, and that the correct author had not transferred his rights
to the copyright claimant, thereby creating an ownership issue that could not be

1 due to these errors, the final factor is met and the ‘166 Registration should be
2 deemed invalid.

3 C. The Court Should Dismiss Nirvana’s Claims Predicated on the ‘166
4 Registration Because Nirvana Does Not Own the ‘166 Registration

5 Assuming *arguendo* that the ‘166 Registration is not invalid, it still does not
6 belong to the Plaintiff.

7 The starting point of any copyright infringement inquiry is whether the
8 Plaintiff is the owner of the asserted copyright registration. Only “the legal or
9 beneficial owner of an exclusive right under a copyright is entitled ... to institute an
10 action for any infringement of that particular right committed while he or she is the
11 owner of it.” 17 U.S.C. §501(b). Copyright ownership vests initially in the author
12 of the work. 17 U.S.C § 201(b). Ownership may also vest as a work for hire if it is:
13 (1) a work prepared by an employee within the scope of his or her employment; or
14 (2) a work specifically ordered or commissioned for use as a contribution to a
15 collective work ... if the parties expressly agree in a written instrument signed by
16 them that the work shall be considered a work made for hire. 17 U.S.C. §§ 101,
17 201(b). Although copyright ownership rights may be transferred, “[a] transfer of
18 copyright ownership, other than by operation of law, is not valid unless an
19 instrument of conveyance, or a note or memorandum of the transfer, is in writing
20 and signed by the owner of the rights conveyed or such owners dully authorized
21 agent.” 17 U.S.C. § 204(a); *see Petrella v. Metro Goldwyn Mayer, Inc.* 572 U.S.
22 663, 668 (2014).

23 The ‘166 Registration states on its face that it is a work made for hire to
24 Nirvana, Inc. SUF 56. Plaintiff’s theory of exactly how it owns the ‘166

25
26 _____
27 corrected by a supplemental registration? Or (2) Would the Register have rejected
28 Reg. No. VA0000564166 if, at the time of application, it knew that the author, the
copyright claimant, the work for hire designation and the date of publication were
all incorrect?

1 Registration has morphed as Plaintiff has been faced with facts that make its earlier
 2 positions untenable. Despite these attempts at salvaging its claim of ownership,
 3 there is no genuine issue of fact here – Plaintiff is not the owner.

4 *Theory 1:* Plaintiff’s initial theory of ownership was that: (1) Kurt Cobain
 5 created the Eyes Smiley Face, (2) Plaintiff’s predecessor Nirvana, Inc. obtained Mr.
 6 Cobain’s rights as a work for hire, and (3) those rights were ultimately transferred
 7 to Plaintiff through a series of assignments. SUF 57. But there is no genuine issue
 8 of material fact that the first step in this chain is missing – Mr. Cobain did not
 9 create the Disputed Smiley. SUF 58. The record is devoid of any testimony from
 10 anyone who claims to have first-hand knowledge that Mr. Cobain created the
 11 Disputed Smiley. SUF 59. Every single person who was asked this question said
 12 they had no first-hand knowledge supporting the unfounded position that Mr.
 13 Cobain was the creator. SUF 60. The best Plaintiff has been able to do is proffer
 14 declarations from several individuals that say, essentially, that they know Mr.
 15 Cobain was a gifted artist. SUF 61. These statements do not create a genuine issue
 16 of fact even in the absence of other evidence, but they certainly cannot create a
 17 genuine issue of fact in the face of the sworn testimony and declaration of Robert
 18 Fisher that he is the creator and owner. SUF 62. Indeed, Plaintiff’s corporate
 19 representative, testifying on behalf of Plaintiff at his 30(b)(6) deposition, said that
 20 Plaintiff’s assertion that Mr. Cobain was the creator of the Disputed Smiley was
 21 based on “institutional knowledge.” SUF 63. Institutional knowledge is not a
 22 substitute for facts or evidence.

23 *Theory 2:* Once Robert Fisher made himself known, Plaintiff changed its
 24 theory of ownership to argue that, even if Mr. Fisher is the creator, his rights were
 25 transferred to his alleged employer at the time, Geffen Records. SUF 64. Mr.
 26 Fisher categorically denies this, and has submitted sworn statements and testimony
 27 that he is the creator and owner of the Registered Work and its Disputed Smiley.
 28 SUF 65. He is the only person on record in this case with first-hand knowledge

1 about creation of this artwork. SUF 66. He has sworn that he did not give rights to
2 Plaintiff and that his rights did not transfer to Geffen or any other entity. SUF 67.

3 These facts, at the least, rebut the presumption of validity that Plaintiff is the
4 owner of the ‘166 Registration, but here, there is no evidence in the record that
5 Plaintiff can use to create a *genuine* issue of fact regarding ownership, so the
6 copyright claim should be dismissed on summary judgment outright for lack of
7 standing.

8 D. The Court Should Dismiss Nirvana’s Claims Predicated on the ‘166
9 Registration Because there is No Substantial Similarity Between the
10 Accused Products and the Registered Work

11 The final element of a copyright claim, copying, is established by showing:
12 (1) access to plaintiff’s copyrighted work and (2) the works at issue are
13 substantially similar concerning the protected elements. *See Marcus v. ABC*
14 *Signature Studios, Inc.*, 279 F. Supp. 3d 1056, 1064 (C.D. Cal 2017). In the Ninth
15 Circuit, substantial similarity requires a showing of intrinsic and extrinsic
16 similarity. *Marcus*, 279 F. Supp. 3d at 1065. “The intrinsic test is a subjective
17 comparison that focuses on ‘whether the ordinary, reasonable audience’ would find
18 the works substantially similar in the ‘total concept and feel of the works.’”
19 *Cavalier v. Random House, Inc.*, 297 F.3d 815, 822 (9th Cir. 2002). This test is
20 subjective and is best left to the jury. *See Silas v. Home Box Office, Inc.* 201 F.
21 Supp 3d 1158, 1171 (C.D. Cal. 2016).

22 However, courts may dismiss a complaint for failure to satisfy the extrinsic
23 test, which is an objective comparison of “specific expressive elements.” *Id.*
24 “Courts must ‘filter out and disregard [] non-protectible elements’ of a plaintiff’s
25 work and inquire only into ‘whether the *protectible elements, standing alone*, are
26 substantially similar.’” *Id.* (quoting *Cavalier*, 297 F.3d at 822) (emphasis in
27 original). A plaintiff who cannot establish extrinsic similarity cannot proceed with
28

1 a claim, because both extrinsic and intrinsic similarity are necessary for a finding of
2 copyright infringement. *Id.*

3 Here, there is no genuine issue of material fact regarding extrinsic similarity.
4 Plaintiff's copyright claim stems from the false premise that the Plaintiff owns a
5 U.S. copyright registration on a smiley face design, alone, when in fact, the
6 Disputed Smiley is a mere fraction of the full artwork covered by the '166
7 Registration. SUF 72. Plaintiff does not allege that Defendants have
8 misappropriated any other component of the '166 Registration's tee shirt design,
9 namely, the word NIRVANA placed above a smiley face or the phrase "Flower
10 Sniffin Kitty Pettin Baby Kissin Corporate Rock Whores" written on the back. SUF
11 73. Defendants haven't even been accused of taking the entire Disputed Smiley
12 Face. SUF 74 Indeed, the only components of the '166 Registration's that
13 Defendants are accused of taking are:



14
15
16 SUF 75.


17 "When similar features ... are as a practical matter indispensable, or at least
18 standard, in the treatment of a given idea, they are treated like ideas and are
19 therefore not protected by copyright." *DisputeSuite.com, LLC v. CreditUmbrella*
20 *Inc.* 2015 US Dist. LEXIS 187068, at *9 (C.D. Cal. Jan. 16, 2015). Just as direct
21 copying of unprotected parts of a work does not constitute infringement, (*Harper*
22 *House, Inc. v. Thomas Nelson, Inc.*, 889 F.2d 197, 208 (9th Cir. 1989) (vacating a
23 jury verdict and remanding for a new trial where the jury instructions permitted a
24 finding of infringement based on the direct copying of unprotected material)),
25 access plus substantial similarity does not constitute infringement if the substantial
26 similarity relates only to unprotected aspects of a work. *See Data East USA, Inc. v.*
27 *Epyx, Inc.*, 862 F.2d 204, 207-08 (9th Cir. 1988) (citing *Aliotti v. R. Dakin & Co.*,
28 831 F.2d 898, 901 (9th Cir. 1987)) ("To determine whether similarities result from

1 unprotectable expression, analytic dissection of similarities may be performed. If
2 this demonstrates that all similarities in expression arise from use of common ideas,
3 then no substantial similarity can be found.”). Although summary judgment on the
4 substantial similarity issue is disfavored, it is permitted, and has frequently been
5 affirmed. *See Corbello v. Devito*, 2015 U.S. Dist. LEXIS 132726, at *29-30 (D.
6 Nev. Sep. 29, 2015).

7 A substantially circular outline for a face and a roughly half circle smile are
8 standard features in the treatment of the idea of a smiley face on clothing. SUF 76.
9 Thus, these features are not protectable, but they are the only elements that
10 Defendants have been accused of taking from the Registered Work. SUF 77. It
11 may be that when these standard smiley face features are combined with X’s for
12 eyes, the name of a rock band, and a phrase about flowers, kittens, babies and
13 corporate rock whores, that full arrangement of elements can be copyrighted. But
14 Defendants have not been accused of misappropriating any of these elements of the
15 Registered Work. SUF 78. Rather, Defendants have only been accused of
16 “taking” a roughly circular outline of a smiley face and a squiggly line for the
17 mouth; common elements of the idea of a smiley face. SUF 79. The outline of the
18 face and the smile line is neither a majority of the Registered Work, nor the most
19 creative features of the Registered Work. SUF 80. No matter how you cut it, any
20 alleged “taking” of these elements cannot be viewed as “substantial.” And in any
21 event, a finding of substantial similarity cannot be based on these unprotectable
22 elements. *DisputeSuite.com*, 2015 US Dist. LEXIS 187068, at *9; *Harper House,*
23 *Inc. v. Thomas Nelson, Inc.*, 889 F.2d at 208. Thus, because there is no genuine
24 issue of fact regarding extrinsic similarity and this is an element essential to
25 Plaintiff’s case, summary judgement of no infringement is warranted.

IV. The Alleged Trademark Is Not Valid or Protectable



Plaintiff describes its purported mark  interchangeably as a “Smiley Face logo” “Smiley Face design and logo” “Nirvana’s design and logo mark” and refers to its use “both with and without” the term NIRVANA “adjacent to the [design]” (the “Disputed Smiley”). SUF ¶¶94, 98. Plaintiff owns no registration comprising or containing this designation under state or federal law. SUF ¶95. Accordingly, there is no presumption of validity accorded the Disputed Smiley, and Plaintiff “is left with the task of satisfying its burden of proof of establishing a valid mark absent application of the presumption.” *Yellow Cab Co. v. Yellow Cab of Elk Grove, Inc.*, 419 F.3d 925, 928 (9th Cir. 2005); *Toho Co. v. Sears, Roebuck & Co.*, 645 F.2d 788, 790 (9th Cir. 1981) (“Under section 43(a) of the Lanham Act...a claimant may prove the validity of an unregistered mark without the benefit of the presumption of validity that registration confers.”). To establish trademark validity, Plaintiff must prove both ownership and protectability. *Reserve Media, Inc. v. Efficient Frontiers, Inc.*, No. CV 15-05072, 2017 U.S. Dist. LEXIS 4878, *7 (C.D. Cal. January 11, 2017).⁵

A determination regarding a mark’s validity is properly resolved as a matter of law, and Ninth Circuit courts routinely grant summary judgment when a plaintiff fails to establish that the mark it seeks to enforce is protectable. *See e.g. Surgicenters of Am., Inc. v. Med. Dental Surgeries, Co.*, 601 F.2d 1011, 1020 (9th Cir. 1979) (affirming registered mark is invalid); *Seal Shield, Ltd. Liab. Co. v. Otter Prods., Ltd. Liab. Co.*, No. 13-cv-2736-CAB (NLS), 2014 U.S. Dist. LEXIS 185778 (S.D. Cal. Nov. 3, 2014) *aff’d* 680 Fed. Appx. 560, 563 (9th Cir. 2017) (defendant entitled to summary judgment where plaintiff “did not carry its burden of presenting evidence from which a reasonable jury could conclude that it had a

⁵ Solely for purposes of summary judgment, Defendants do not challenge Plaintiff’s asserted ownership of the Disputed Smiley.

1 distinctive, protectable trademark prior to defendant's entry into the market").⁶

2 A. The Disputed Smiley Is Not Protectable Because It Does Not Function
 3 As a Trademark.

4 The purported mark at issue here—an unregistered line drawing of a smiley
 5 face authored by Robert Fisher—does not serve the trademark purpose of
 6 identifying the source of the goods that bear it and distinguishing such goods from
 7 others. *SUF*, 11-13, 114; *Mattel Inc. v. Walking Mt. Prods.*, 353 F.3d 792, 806
 8 n.12 (9th Cir. 2003) (citation omitted) (“A trademark is a limited property right in
 9 [a] particular word, phrase, or symbol, [], that is used to identify a manufacturer or
 10 sponsor of a good or the provider of a service.”). Legal protection of a mark hinges
 11 on the designation functioning as a trademark—i.e. indicating source—and proof of
 12 inherent or acquired distinctiveness. 1 McCarthy on Trademarks and Unfair
 13 Competition § 3:4 (5th ed.) (hereinafter “McCarthy”) (explaining issue of “use as a
 14 trademark” is related but distinct from issues of inherent and acquired
 15 distinctiveness); *Glass*, 2010 U.S. Dist. LEXIS 117598 at *22-*23 quoting *Two*
 16 *Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 767 (1992) (“To establish a valid
 17 trademark, the plaintiff must establish that the mark is ‘inherently distinctive’ or
 18 that it has ‘acquired secondary meaning.’”); *Reserve Media, Inc. v. Efficient*
 19 *Frontiers, Inc.*, No. CV 15-05072, 2017 U.S. Dist. LEXIS 4878, *7 (C.D. Cal.

20 _____
 21 ⁶ See also *Amusement Art, LLC v. Life Is Beautiful, LLC*, No. 2-14-cv-08290-DDP-
 22 JPR, 2016 WL 6998566, 2016 U.S. Dist. LEXIS 165429, *34-*35 (C.D. Cal. Nov.
 23 29, 2016) (granting summary judgment to defendants where plaintiffs’ “limited”
 24 and “sporadic” use of heart design did not “rise to the level of a protectable
 25 trademark”); *Glass v. Sue*, CV 09-08570-RGK, 2010 WL 4274581, 2010 U.S.
 26 Dist. LEXIS 117598, *27 (C.D. Cal. October 22, 2010) (granting summary
 27 judgment to defendants on false designation of origin claim where plaintiff failed
 28 to raise triable issue regarding validity of asserted mark); *Res. Media, Inc. v.*
Efficient Frontiers, Inc., No. CV 15-05072, 2017 U.S. Dist. LEXIS 4878, *24-25
 (C.D. Cal. Jan. 11, 2017) (alleged infringer entitled to summary judgment where
 marks found unenforceable as a matter of law); *Lee v. Mike's Novelties, Inc.*, No.
 CV 10-2225-VBF, 2011 U.S. Dist. LEXIS 161851, *5 (C.D. Cal. August 2, 2011);
Milbank Tweed Hadley & McCloy LLP v. Milbank Holding Corp., 2007 U.S. Dist.
 LEXIS 97934, *9 (C.D. Cal. February 23, 2007) (summary judgment is proper
 when no reasonable jury could find claimed mark has acquired secondary
 meaning).

January 11, 2017) (“Whether a mark is protectable depends upon whether the mark is distinctive.”); Ninth Circuit Manual of Model Jury Instructions (Civil) § 15.10 Spectrum of Marks (2017) (“Trademarks that are not distinctive are not entitled to any trademark protection.”).

A designation that does not function to “indicate the source of the goods” and to “distinguish” them from those of others does not meet the statutory definition of a trademark. *See* 15 U.S.C. § 1127 (defining trademark). Such a designation is not protectable, irrespective of claims of distinctiveness. McCarthy § 3:4 (“To create trademark...rights, a designation must perform the job of identification: to identify one source and distinguish it from other sources. If it does not do this, then it is not protectable as a trademark...”). To explain the interplay between actual trademark use and distinctiveness, McCarthy explains:

For a designation which is not inherently distinctive and requires proof of secondary meaning, use as a trademark is always an essential gateway requirement. *If a designation is not used as a mark, then it cannot possibly achieve a secondary meaning and trademark status.*

A word or design may be classified as ‘inherently distinctive’ and not in need of secondary meaning for trademark status. But even an ‘inherently distinctive’ word or design does not achieve trademark status *unless it is used as a trademark.*

McCarthy § 3:4. As such, the threshold question is whether, as actually used, the Disputed Smiley functions as an indicator of source for the goods or services of the Plaintiff. *Tie Tech, Inc. v. Kinedyne Corp.*, 296 F.3d 778, 783 (9th Cir. July 11, 2002) (“A necessary concomitant to proving infringement is, of course, having a valid trademark; there can be no infringement of an invalid mark...validity [] is a threshold issue.”); McCarthy § 3:4 (“The critical enquiry in determining whether a designation functions as a mark is how the designation would be perceived by the relevant public.”) (citation omitted). The Disputed Smiley is not a source identifier.

1. *Consumers Do Not Associate The Disputed Smiley With The Plaintiff or Any Other Single Anonymous Source.*

Speculation regarding consumer perception of the Disputed Smiley—the critical inquiry in resolving the threshold question of whether it functions as a mark—is not necessary here. Defendants conducted a consumer survey directed at measuring the degree to which, if at all, consumers associate the Disputed Smiley with Plaintiff or another single, anonymous source. *SUF* ¶¶113-118; *see Seal Shield, Ltd. Liab. Co. v. Otter Prods., Ltd. Liab. Co.*, 680 Fed. Appx. 560, 562 (9th Cir. 2017) (suggesting consumer survey is the only way “to say with confidence precisely what consumers will understand the mark to mean.”); *Black v. Irving Materials, Inc.*, 398 F. Supp. 3d 592, 611 (N.D. Cal. 2019) *citing Vision Sports, Inc. v. Melville Corp.*, 888 F.2d 609, 615 (9th Cir. 1989) (“[A] consumer survey can provide persuasive evidence of distinctiveness.”).

The undisputed survey evidence of Defendants’ expert, Sarah Butler, establishes an extraordinarily low level of recognition of the Disputed Smiley among prospective purchasers of Plaintiff’s clothing. *SUF* ¶¶113-118. Four-hundred forty-seven (447) consumers, more than 72% between the ages of 18-55, were surveyed to determine whether they associate the Disputed Smiley with a single source.⁷ *SUF* ¶¶115-116. Only 10.8% of respondents viewed the Disputed Smiley as associated with a single source, and only a mere 9% with the Plaintiff. *SUF* ¶¶117-118. It is well-settled that such “small percentage results at or less than 10%” are “clearly” “not sufficient” to prove secondary meaning. *McCarthy* 15:45; *Yankee Spirits, Inc. v. Gasbarro*, CIVIL NO.96-10967PBS, 1998 U.S. Dist. LEXIS 22159, *30 (D. Mass. May 26, 1998) (“Often, consumer recognition below 25% fails to establish secondary meaning.”). Ms. Butler’s survey is consistent with the other evidence in the record demonstrating widespread use of iterations of a smiley face design by numerous third parties, and Plaintiff’s merely ornamental use of same.

Plaintiff has not engaged in any analysis regarding the perception of its

⁷ The testimony of Plaintiff’s 30(b)(6) witness, John Silva, confirms this was the appropriate population. *SUF* ¶116.

1 purported mark by the consuming public, and has failed to put forth any survey of
 2 its own. *SUF ¶¶111-112*. Despite bearing the burden of proving the protectability of
 3 the Disputed Smiley, the evidence in the record does not substantiate the claim that
 4 consumers recognize the goods offered in connection with this designation as
 5 originating with a single source, let alone with the Plaintiff.

6 2. *Plaintiff Uses The Disputed Smiley, a Variation of a Ubiquitous*
 7 *and Commonly Understood Symbol, as Mere Ornamentation.*

8 According to Plaintiff, its mark “consists of a smiley face design with two x’s
 9 representing the eyes, an upturned curve representing the mouth, and a small open
 10 circle with a dash representing the tongue sticking out of the mouth.” *SUF ¶96*. The
 11 U.S. Patent and Trademark Office advises that the smiley face constitutes a
 12 “common expression[] and symbol[]” that is “normally not perceived as [a] mark[
 13].” *TMEP § 1202.03(a)*. The significance of such common symbols is the
 14 underlying informational message they convey, rather than identifying any one
 15 producer as the source of any goods or services. Indeed, the smiley face has been
 16 repeatedly labeled “ubiquitous” and lacking in source identifying function. *See*
 17 *Smith v. Wal-Mart Stores, Inc.*, 537 F. Supp. 2d 1302, 1315 (N.D. Ga. March 20,
 18 2008) (granting summary judgment on Wal-Mart’s claims pertaining to alleged
 19 common law mark in smiley face design due to failure to prove design is
 20 protectable).⁸

21 Like common symbols, it is axiomatic that matter that is merely ornamental
 22 or decorative does not identify and distinguish source, and thus, does not serve a
 23 trademark function. *TMEP § 1202.03*; *McCarthy § 7:24* (“[I]f a design is solely or
 24 merely ornamental...then it cannot be given the status of a valid trademark.”).

26 ⁸ *See also Wal-Mart Stores, Inc. v. Loufrani*, 2009 TTAB LEXIS 113, *15, *18
 27 (TTAB Mar. 20, 2009) (smiling face is “ubiquitous” and “a common feature of
 28 American culture...”); *Nikon, Inc. v. Ikon Corp.*, 1992 U.S. Dist. LEXIS 6299, *13
 (S.D.N.Y. May 1, 1992) (smiley face is “ubiquitous in commerce, appearing on
 items as diverse as wrapping paper and undershorts.”).

Whether a designation is merely ornamental is a question of “public perception.” McCarthy § 7:24 (the merely ornamental determination “is a specialized application of the key enquiry as to whether a given design is or is not perceived by customers as a symbol of origin.”). A design is “presumably” viewed as merely ornamental if it is “a mere refinement of a commonly-adopted and well-known form of ornamentation for a class of goods...” *In re Lululemon Athletica Can. Inc.*, 105 U.S.P.Q.2D (BNA) 1684, 1686 (T.T.A.B. Jan. 11, 2013). In addition, the “size, location, dominance and significance of the alleged mark as applied to the goods” are key factors in evaluating whether a designation is merely ornamental, as well as the size of the designation relative to the size of the goods to which it is applied, and whether the designation is used in conjunction with a symbol indicating a trademark claim, such as “TM.” TMEP § 1202.03(a); *In re Greater Anchorage, Inc.*, 2011 TTAB LEXIS 42, *7 (T.T.A.B. Feb. 14, 2011) (“The larger the display relative to the size of the goods, the more likely it is that consumers will not view the ornamental matter as a mark.”).

The evidence here establishes that the Disputed Smiley is a mere refinement or variation of a ubiquitous symbol in overwhelmingly common and pervasive use in the United States. SUF ¶¶119-126. In particular, the apparel market—including retailers of Plaintiff’s products bearing the Disputed Smiley adjacent to the term NIRVANA—is saturated with goods of numerous companies bearing designs similar or nearly identical to Plaintiff’s claimed mark. SUF ¶121; *In re Peace Love World Live, LLC*, 127 USPQ2d 1400, 1403-04 (T.T.A.B. 2018) (explaining third-party use of “similar, ornamental displays of I LOVE YOU” on jewelry “corroborate[s]” the “ornamental nature” of the proposed mark and that consumers will not perceive it “as pointing uniquely to applicant as a single source.”). Plaintiff itself uses variations of the Disputed Smiley for its own products. SUF ¶120.

Element-by-element identity is not required to find that a designation fails to function as a mark due to its commonality and informational message. *See id.*; *In re*

1 *Gen. Tire & Rubber Co.*, 404 F.2d 1396, (C.C.P.A. 1969); *In re Melville Corp.*, 228
 2 U.S.P.Q. (BNA) 970, 971-972 (T.T.A.B. Jan. 9, 1986) (explaining “[t]he fact that
 3 applicant may convey similar information in a *slightly different* way than others is
 4 not determinative. In an environment where consumers are accustomed to the use
 5 by merchants of *similar* informational phrases, we believe that consumers are not
 6 likely to view applicant's slogan as a service mark...”). The extensive third party
 7 use of smiley face designs here establishes that combining the standard elements of
 8 such a design with minor variations or non-distinctive changes to elements or
 9 proportions thereof simply does not primarily denote a specific origin or source.
 10 SUF ¶¶119-126.

11 Moreover, as with smiley face designs used by numerous third parties,
 12 including MJJ, Plaintiff uses the Disputed Smiley in such a way that the public
 13 would perceive it *not* as an indicator of source, but as a decorative or ornamental
 14 feature of Plaintiff’s goods. McCarthy § 7:24. Plaintiff’s licensees plaster the
 15 Disputed Smiley adjacent or in close proximity to the term NIRVANA across
 16 apparel and a host of other novelty merchandise. SUF ¶¶127-132. The Disputed
 17 Smiley together with the term NIRVANA is overwhelmingly positioned on the
 18 front and center of the garment or item, and takes up nearly the entirety of the
 19 surface area of the product. SUF ¶129. The “TM” symbol is not displayed with the
 20 Disputed Smiley. SUF ¶131. The emblazoning of the Disputed Smiley across goods
 21 in this manner is analogous to use that has been found merely ornamental, and not
 22 indicative of source. *See e.g. Ink v. Mga Entm't*, No. 04CV1035 J (BLM), 2004
 23 U.S. Dist. LEXIS 33783, at *20 (S.D. Cal. Sep. 7, 2004) (“...ornamental and
 24 inconsistent use of the term ‘brat’ on t-shirts is insufficient to demonstrate use in a
 25 trademark sense...”); *In re Astro-Gods Inc.*, 223 USPQ 621, 624 (T.T.A.B. 1984)
 26 (composite mark comprised of “ASTRO GODS” above images of deities
 27 decorating front of shirts not likely to be perceived as anything other than
 28 ornamentation); *In re Dimitri’s Inc.*, 9 USPQ2d 1666 (T.T.A.B. 1988) (composite

1 mark comprised of “SUMO” and stylized representations of sumo wrestlers on t-
 2 shirts and baseball caps is merely ornamental feature of the apparel); *see also*
 3 *Grupke v. Linda Lori Sportswear, Inc.*, 921 F. Supp. 987, 996 (E.D.N.Y. 1996)
 4 (designs and drawings of cats on t-shirts are not source identifiers).

5 The Disputed Smiley carries no distinctive message of origin to consumers
 6 and is incapable of carrying such a message given the smiley face’s widespread use
 7 as decoration for any number of products, including clothing, offered by numerous
 8 different entities. *SUF* ¶¶119-126. The consuming public is accustomed to
 9 encountering smiley face designs on clothing, and simply does not regard the
 10 Disputed Smiley as an indicia of origin for goods originating *exclusively* with the
 11 Plaintiff. This is confirmed by the consumer survey conducted by Ms. Butler. *SUF*
 12 ¶¶113-118. Any unsubstantiated, sporadic use of the Disputed Smiley on hangtags
 13 in an unspecified geographic territory *after* MJJ products entered the market does
 14 not alter this result. *See D.C. One Wholesaler, Inc. v. Chien*, 120 U.S.P.Q.2D
 15 (BNA) 1710, 1716 (T.T.A.B. Oct. 4, 2016) (purported mark “I ♥ DC” “does not
 16 create the commercial impression of a source indicator, even when displayed on a
 17 hangtag or label” in light of “ubiquity” and “widespread ornamental use” of similar
 18 expressions on apparel and other products); *Amusement Art, LLC v. Life Is*
 19 *Beautiful, LLC*, 2016 U.S. Dist. LEXIS 165429, *34-*35 (C.D. Cal. Nov. 29, 2016)
 20 (plaintiffs’ “limited” and “sporadic” use of design did not “rise to the level of a
 21 protectable trademark and granting summary judgment to defendants). The use of
 22 the Disputed Smiley here, if any, is merely ornamental and without trademark
 23 significance.

24 B. The Disputed Smiley Is Not Inherently Distinctive and Has Not
 25 Acquired Distinctiveness Among Consumers.

26 The spectrum of distinctiveness ranging from generic to fanciful “was
 27 created to categorize word marks.” McCarthy § 15:9. Where, as here, the mark at
 28 issue is a non-word designation, the question of whether such mark is inherently

1 distinctive or requires secondary meaning “must be judged by guidelines
 2 appropriate to the world of images and shapes.” *Id.* McCarthy instructs that in the
 3 case of non-word designations:

4 The issue of inherent distinctiveness is whether the design, shape or
 5 combination of elements is so unique, unusual or unexpected in [the]
 6 market that one can assume without proof that it will automatically be
 perceived by customers as an indicator of origin—a trademark.

7 McCarthy § 15:9. As detailed above, smiley face designs are in overwhelmingly
 8 common and pervasive use by numerous third parties in the clothing and apparel
 9 market. SUF ¶¶119-126. As a result, the Disputed Smiley is not “so unique,
 10 unusual or unexpected” in the field of clothing that one can assume without proof
 11 that consumers will perceive it as a source indicator for Plaintiff. *In re Soccer Sport*
 12 *Supply Co.*, 507 F.2d 1400, 1403 (C.C.P.A. 1975) (mark consisting of colored
 13 pentagons used with soccer balls is not inherently distinctive due to use of “similar”
 14 designs on third party soccer balls). Such a conclusion would contravene
 15 undisputed survey evidence that the consuming public does not perceive the
 16 Disputed Smiley as denoting source. SUF ¶¶113-118.

17 Even if the spectrum of distinctiveness for word marks was employed to
 18 initially categorize the Disputed Smiley as arbitrary or fanciful, the widespread
 19 third party use of similar designs on clothing establishes that the design has become
 20 generic in the field of clothing. SUF ¶¶119-126. In *Kendall-Jackson Winery, Ltd. v.*
 21 *E. & J. Gallo Winery*, the Ninth Circuit explained that while the “use of a grape leaf
 22 as a mark for wine would normally be inherently distinctive” the widespread use of
 23 similar designs by third parties rendered the design “generic.” 150 F.3d 1042, 1049
 24 (9th Cir. 1998) (“Because the grape leaf is used widely in the industry, it has lost
 25 the power to differentiate brands...there is nothing inherently distinctive in the use
 26 of a grape leaf as a mark for wine.”). The Disputed Smiley is therefore not
 27 inherently distinctive.
 28

1 With respect to acquired distinctiveness, as detailed above, the Disputed
 2 Smiley does not function as a trademark, and is not used as a source indicator by
 3 Plaintiff. Therefore, achieving secondary meaning is impossible. McCarthy § 15:1
 4 (“[I]f a designation is not used as a mark to identify and distinguish source, it
 5 cannot possibly achieve a secondary meaning.”).

6 Proof of secondary meaning “entails vigorous evidentiary requirements.”
 7 *Express, LLC v. Forever 21, Inc.*, No. CV 09-4514 ODW (VBKx), 2010 U.S. Dist.
 8 LEXIS 91705, at *22 (C.D. Cal. Sep. 2, 2010) (citation omitted). A consumer
 9 survey measuring actual perceptions of relevant consumers is the best form of
 10 direct evidence of secondary meaning. *Levi Strauss & Co. v. Blue Bell, Inc.*, 778
 11 F.2d 1352, 1358 (9th Cir. 1985) (“An expert survey of purchasers can provide the
 12 most persuasive evidence on secondary meaning.”).

13 Here, despite the necessity of proving acquired distinctiveness to establish its
 14 trademark claims, Plaintiff conducted neither its own affirmative survey to measure
 15 consumers’ recognition of the Disputed Smiley, nor any survey to rebut
 16 Defendants’ secondary meaning survey. *SUF* ¶¶111-112. Thus, the only direct
 17 evidence of consumer association—Defendants’ survey—proves that there is a
 18 complete lack of recognition of the Disputed Smiley with any single company
 19 among consumers. *SUF* ¶¶113-118.

20 While a survey is not required to prove secondary meaning, the absence of a
 21 survey regarding this key issue on which Plaintiff bears the burden of proof is
 22 notable and, together with the adverse results of Defendants’ survey, cuts strongly
 23 against a finding that the Disputed Smiley has achieved secondary meaning.
 24 *See Echo Drain v. Newsted*, 307 F. Supp. 2d 1116, 1122 (C.D. Cal. 2003) (lack of
 25 expert reports or surveys regarding secondary meaning resulted in granting of
 26 summary judgment to defendants on Section 43(a) claim because mark was not
 27 protectable); *Network Automation, Inc. v. Hewlett-Packard Co.*, No. 08-cv-4675-
 28 JFW, 2009 WL 5908719, 2009 U.S. Dist. LEXIS 125835, *20 (C.D. Cal. Sept. 14,

2009) (noting Plaintiff’s failure to offer any expert reports or surveys to prove alleged mark had secondary meaning in granting summary judgment to defendants on Section 43 claim); *MZ Wallace Inc. v. Fuller*, No. 18cv2265(DLC), 2018 U.S. Dist. LEXIS 214754, at *32 (S.D.N.Y. Dec. 20, 2018) (finding plaintiff’s failure to introduce survey “noteworthy” and this absence, together with defendant’s “very unfavorable survey evidence” cut “strongly against” a finding of secondary meaning in disputed trade dress).

The indirect evidence produced in discovery likewise demonstrates that the Disputed Smiley is not a distinctive source indicator. *See Lee v. Mike’s Novelties, Inc.*, No. CV 10-2225-VBF, 2011 U.S. Dist. LEXIS 161851, *6, *9 (C.D. Cal. August 2, 2011) (granting summary judgment to defendants where plaintiff failed to produce sufficient evidence of “(1) whether actual purchasers of the product bearing the claimed trademark associate [it] with the producer, (2) the degree and manner of advertising under the claimed trademark, (3) the length and manner of use of the claimed trademark, and (4) whether use of the claimed trademark has been exclusive.”).⁹ Here, Plaintiff’s documents, and the witnesses produced to testify pursuant to Rule 30(b)(6) as to any indirect evidence of secondary meaning, provided little clarity on this key element.

Plaintiff does not run advertising featuring the Disputed Smiley standing alone without the term NIRVANA, and there is no evidence of the type of “look for” advertising directed at educating consumers as to the affiliation of the Disputed Smiley with Plaintiff’s business. *SUF* ¶136. Plaintiff’s 30(b)(6) designee claims that apart from the website Nirvana.com, shirts bearing the Disputed Smiley are advertised among several other musical artists by sub-licensees to a “limited

⁹ *See also Milbank Tweed Hadley & McCloy LLP v. Milbank Holding Corp.*, No. CV 06-187-RGK, 2007 U.S. Dist. LEXIS 97934, *6 (C.D. Cal. Feb. 23, 2007) (“meager” indirect evidence of “established place in the market, amount and manner of advertising, and amount of sales and number of customers” rendered it such that no reasonable jury could find that disputed mark acquired secondary meaning).

audience” in “music magazines.” SUF ¶¶137, 143. The only documentary evidence of this alleged advertising is Live Nation catalogues directed to wholesalers from 2016 and 2017. SUF ¶143.

Despite claiming that Plaintiff “sometimes” engages in efforts to evaluate the efficacy of advertising efforts, critical evidence as to whether any such efforts were in fact successful is likewise absent from the record. SUF ¶142. Should Plaintiff attempt to create a triable issue of fact by pointing to generalized sales figures and promotional efforts, this will fail. *See Res. Media, Inc. v. Efficient Frontiers, Inc.*, No. CV 15-05072 DDP (AGRx), 2017 U.S. Dist. LEXIS 4878, at *24 (C.D. Cal. Jan. 11, 2017) (record reflecting that plaintiff “expended efforts to generally promote” products under disputed marks, without evidence as to the efficacy of those efforts, does not substantiate claims regarding consumer perception of disputed marks); *Rubber Stamp Mgmt. v. Kalmbach Publ’g Co.*, No. C06-0277RSM, 2007 U.S. Dist. LEXIS 33367, *12 (W.D. Wash. May 4, 2007) (evidence of ad campaign and expenditures does not create triable issue of fact on secondary meaning in absence of evidence of consumer association of disputed mark with plaintiff’s product and look for ads directing consumers to make the desired association).

Plaintiff has proffered no specific facts regarding the length and nature of its use of the Disputed Smiley in the United States in connection with clothing. The evidence in the record suggests that such use has not been substantially continuous or exclusive. SUF ¶135. Even if it had, sales data showing the popularity of products “is not probative evidence of secondary meaning in the trademark for that product.” McCarthy § 15:47 (noting “large sales...may be due to dozens of factors” and that “causation between the trademark and the popularity [of a product] must be proved” to make evidence relevant for secondary meaning analysis). Moreover, the overwhelming majority of items bearing the Disputed Smiley contain the term “NIRVANA” adjacent to the Disputed Smiley or in close proximity thereto. SUF

¶¶127-130. Plaintiff's only sales documentation does not distinguish sales of products bearing the Disputed Smiley conjoined with the term "NIRVANA" from sales of products bearing the Disputed Smiley standing alone (if any), rendering any sales data unpersuasive evidence of secondary meaning, as it is equally likely that consumers purchasing product were doing so due to the term NIRVANA. *SUF* ¶133; *see Johnson & Johnson v. Actavis Group HF*, No. 06 CV 8209-DLC, 2008 WL 228061, *2 (S.D.N.Y. Feb. 21, 2008).

Moreover, as detailed above, Plaintiff's use of the Disputed Smiley is far from substantially exclusive, as evidenced by the widespread third party use of similar designations with many or all of the elements of the Disputed Smiley. *SUF* ¶¶119-126. Plaintiff's 30(b)(6) witnesses admittedly lacked any awareness of multiple third party uses uncovered by Defendants' counsel by way of a simple Google search. *SUF* ¶¶123-125. Plaintiff acknowledged several of these coexisting third party uses would be "high priority" for enforcement more than three months ago and numerous such uses remain available for sale today, suggesting that Plaintiff either failed to or was rebuffed in enforcing its purported mark. *Id.* Such efforts do not approach the nature and extent of enforcement efforts some courts have found to support a finding of secondary meaning.

Finally, Defendants' use of a smiley face design in conjunction with its well-known house marks "MARC JACOBS" and "MJ" does not demonstrate that the Disputed Smiley has acquired distinctiveness. *Skechers U.S.A., Inc. v. Vans, Inc.*, 2007 U.S. Dist. LEXIS 88635, *22 (C.D. Cal. November 20, 2007) ("although [counterclaim defendant] does not deny that it knew of the [counterclaimant's] design when it designed its shoes, the clear labeling of the accused shoes with [defendant's] brand negates any inference of intent to trade on [counterclaimant's] mark."); *Cont'l Lab. Prods. v. Medax Int'l, Inc.*, 114 F. Supp. 2d 992, 1009-10 (S.D. Cal. 2000) ("[D]ecisions have recognized that reasons unrelated to the exploitation of existing secondary meaning often drive" design similarities within a shared field

1 and this may occur for purposes of “exploit[ing] public demand” without
 2 “knowledge of [any] secondary meaning and no intention of deceiving
 3 consumers.”).

4 In sum, the lack of inherent or acquired distinctiveness is a second independent
 5 reason why the Plaintiff cannot establish its trademark claims as a matter of law. As
 6 things presently stand, there is nothing in the record to demonstrate that the
 7 Disputed Smiley is sufficiently distinctive to warrant trademark protection under
 8 any theory. Undisputed survey evidence establishes that the consuming public does
 9 not associate the Disputed Smiley with a single, anonymous source, let alone with
 10 Nirvana. Because no reasonable trier of fact could find that the purchasing public
 11 associates the Disputed Smiley with Nirvana or a single anonymous source,
 12 Defendants are entitled to adjudication in their favor as a matter of law on the
 13 second, third, and fourth causes of action in the Complaint.

14 **V. Even If Plaintiff’s Alleged Trademark Was Protectable, There Is No**
 15 **Evidence of Consumer Confusion, and Therefore No Infringement**

16 Because the Plaintiff does not own a protectable trademark, the issue of
 17 likelihood of confusion need not be reached by the Court. *See e.g. Glass v. Sue*,
 18 2010 U.S. Dist. LEXIS 117598, *27 (C.D. Cal. Oct. 22, 2010) (explaining “court
 19 need not address whether there is a likelihood of confusion” where plaintiff failed
 20 to raise a triable issue regarding validity of asserted mark, and granting summary
 21 judgment to defendants on false designation of origin and common law
 22 infringement claims). Nevertheless, the absence of sufficient evidence regarding
 23 likelihood of confusion provides a third, independent basis on which to grant
 24 summary judgment in Defendants’ favor.

25 To prevail on Counts II-IV of its Complaint arising under the Lanham Act
 26 and California common law, Plaintiff must prove a likelihood of consumer
 27 confusion. *Toho Co. v. Sears, Roebuck & Co.*, 645 F.2d 788, 790 (9th Cir. 1981);
 28 *M2 Software, Inc. v. Madacy Entm’t*, 421 F.3d 1073, 1080 (9th Cir. 2005). The test

1 for likelihood of confusion is “whether a reasonably prudent consumer in the
 2 marketplace is likely to be confused as to the origin of the good or service bearing
 3 one of the marks.” *Reeves v. Gen. Nutrition Ctrs.*, No. SA CV10-01653 JAK
 4 (FFMx), 2012 WL 13018362, 2012 U.S. Dist. LEXIS 200682, *5 (C.D. Cal. Apr.
 5 2, 2012); *Rock & Roll Religion, Inc. v. Cels Enters., Inc.*, No. CV09-5258 R
 6 (PLAX), 2010 U.S. Dist. LEXIS 147627, *13 (C.D. Cal. Apr. 20, 2010) (“The
 7 inquiry re: false designation of origin under 15 U.S.C. §1125(a) is the same
 8 likelihood of confusion inquiry as is used for determining trademark infringement”
 9 under § 1114). To resist summary judgment, Plaintiff must show “that confusion is
 10 probable not merely possible.” *M2 Software*, 421 F.3d at 1085 (affirming summary
 11 judgment to defendant where plaintiff failed to raise a triable issue as to likelihood
 12 of confusion); *Oculu, LLC v. Oculus VR, Inc.*, No. SACV 14-0196 DOC(JPRx),
 13 2015 U.S. Dist. LEXIS 74666, *24 (C.D. Cal. June 8, 2015) (“To avoid summary
 14 judgment on a forward confusion claim, a plaintiff must raise a material question of
 15 fact regarding whether the buying public is likely to believe that the plaintiff was
 16 either the source or sponsor of defendant's product.”). The non-exhaustive list of
 17 eight factors considered by Ninth Circuit courts evaluating likelihood of confusion
 18 are set forth in *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979)
 19 (the “*Sleekcraft* factors”).¹⁰ Applying the eight *Sleekcraft* factors to the present
 20 case, it is clear there is no likelihood of confusion.

21 As a preliminary matter, Plaintiff has failed to present a consumer survey of
 22 likelihood of confusion despite having nearly two years and significant financial
 23 resources to do so. *SUF* ¶¶171-173.¹¹ This “warrants a presumption that the results
 24

25 ¹⁰ The factors are: (1) strength of the mark; (2) proximity or relatedness of goods;
 26 (3) similarity of the marks; (4) evidence of actual confusion; (5) marketing
 27 channels; (6) type of goods and degree of purchaser care; (7) [defendant's] intent
 in selecting the mark; and (8) likelihood of expansion [of product lines]. *Walter v.*
Mattel, Inc., 210 F.3d 1108, 1111 (9th Cir. 2000).

28 ¹¹ Plaintiff self-describes as “one of the best-selling rock bands of all time, with
 more than 75 million records sold worldwide...” *Compl.* ¶12. It has retained no

[of such a survey] would have been unfavorable” to Plaintiff. *See e.g. Playboy Eters, Inc. v. Netscape Comm’s Corp.*, 55 F. Supp.2d 1070, 1084 (C.D. Cal. 1999) *aff’d* 202 F.3d 278 (9th Cir. 1999); *James R. Glidewell Dental Ceramics v. Keating Dental Arts, Inc.*, No. 11-cv-1309, 2013 WL 655314, 2013 U.S. Dist. LEXIS 24824, *26 (C.D. Cal. Feb. 21, 2013) (same).¹²

A. Nirvana’s Alleged Mark is Weak

The first *Sleekcraft* factor is directed at the conceptual and commercial strength of a mark. *Reeves v. Gen. Nutrition Ctrs.*, No. SA CV10-01653 JAK (FFMx), 2012 WL 13018362, 2012 U.S. Dist. LEXIS 200682, *6 (C.D. Cal. Apr. 2, 2012) (Kronstadt, J.). Here, the conceptual and commercial strength of the unregistered Disputed Smiley designation, if any, is minimal, and no consumer would be confused into believing that Plaintiff, a holding company for the assets of a former rock band, produces MJJ luxury womenswear, or that promotional apparel of the band Nirvana is a MJJ luxury product. *JL Bev. CO. LLC v. Beam, Inc.*, 318 F. Supp. 3d 1188, (D. Nev. 2018) (explaining assessment of strength factor in context of forward confusion cases).

The Disputed Smiley is a mere variation of a generic symbol used ornamentally, and is conceptually weak due to widespread use of similar designs on clothing by third parties. *SUF ¶¶199-206*; *see Moose Creek, Inc. v. Abercrombie & Fitch Co.*, 331 F. Supp. 2d 1214, 1225 (C.D. Cal. 2004) (plaintiff’s marks

less than five attorneys at two different law firms to prosecute this case on its behalf since 2018. *See generally* Dkt. 2:18-cv-10743-JAK-SK.

¹² *See also Allstate Ins. Co. v. Kia Motors Am., Inc.*, No. CV 16-6108 SJO (AGRx), 2017 U.S. Dist. LEXIS 211399, *40 (C.D. Cal. Dec. 22, 2017) (“When a plaintiff fails to perform a survey despite having ample opportunity and resources to do so, the Court may infer that the survey’s results would be unfavorable.”); *Cairns v. Franklin Mint Co.*, 24 F. Supp.2d 1013, 1041-42 (C.D. Cal. 1998) (plaintiff’s failure to conduct a consumer survey when it possessed the financial resources to do so “undermine[d]” its position that disputed advertisements were likely to confuse consumers); *Novadaq Techs. v. Karl Storz GMBH & Co. K.G.*, No. 14-cv-04853-PSG, 2015 U.S. Dist. LEXIS 170423, *11 (N.D. Cal. Dec. 18, 2015) (“[A] trier of fact may be entitled to presume that one party’s failure to conduct a survey concedes that the survey evidence would be unfavorable to it.”) (citation omitted).

1 consisting of pictures of moose “conceptually weak” in “crowded field” where
 2 “moose very similar in appearance to the moose depicted in Plaintiffs’ marks” used
 3 on “many different brands of clothing...”).

4 With respect to commercial strength, directed at measuring “actual
 5 marketplace recognition” *Reeves*, 2012 U.S. Dist. LEXIS at *7, undisputed survey
 6 evidence establishes an extraordinarily low level of recognition among prospective
 7 purchasers of Nirvana products. *SUF* ¶¶113-118. Plaintiff has not engaged in any
 8 analysis regarding the strength of its purported mark—either with or without the
 9 conjoined term “NIRVANA”—and has failed to put forth any survey of its own.
 10 *SUF* ¶¶111-112. As discussed *supra*, the Disputed Smiley lacks inherent or
 11 acquired distinctiveness.

12 For years, the smiley face symbol, and refinements or variations of this
 13 commonly-adopted and well-known form of ornamentation for goods, have been in
 14 overwhelmingly common and pervasive use in the United States in connection with
 15 goods and services identical or related to those of Plaintiff. *SUF* ¶¶199-206; *M2*
 16 *Software, Inc. v. Madacy Entm't*, 421 F.3d 1073, 1088 (9th Cir. 2005) (“Use of
 17 similar marks by third-party companies in the relevant industry weakens the mark
 18 at issue.”). The apparel market in particular is saturated with products of numerous
 19 companies bearing designs similar or nearly identical to the Disputed Smiley. *SUF*
 20 ¶¶199-206. This extensive third party use establishes the weakness of the claimed
 21 mark, and shows that consumers do not view the Disputed Smiley or similar
 22 designs as source identifiers for Plaintiff or any one company. *See Miss World*
 23 *(UK), Ltd. v. Mrs. Am. Pageants, Inc.*, 856 F.2d 1445, 1449 (9th Cir. 1988) *abrog.*
 24 *on other grounds by Eclipse Assocs. Ltd. v. Data Gen. Corp.*, 894 F.2d 1114, 1116
 25 n.1 (9th Cir. 1990) *quoting* McCarthy § 11:85 (“A mark that is hemmed in on all
 26 sides by similar marks on similar goods or services cannot be very “distinctive.” It
 27 is merely one of a crowd of similar marks. In such a crowd, customers will not
 28

likely be confused between any two of the crowd and may have learned to carefully pick out one from the other.”).

Plaintiff’s rights in the Disputed Smiley, if any, are weak and narrowly circumscribed, and certainly do not encompass all variants of a smiley face design with a tongue sticking out. *See* McCarthy § 7:25 (“Even if a design qualifies for trademark protection, because of extensive third party use of similar designs, the scope of exclusivity may be narrow.”); *Rock & Roll Religion, Inc. v. Cels Enters., Inc.*, No. CV09-5258 R (PLAX), 2010 U.S. Dist. LEXIS 147627, *9-*10 (C.D. Cal. Apr. 20, 2010) (widespread use of “laundry” formative marks in clothing industry rendered it such that “each member of the crowd is relatively weak in its ability to prevent use by others.”); McCarthy § 11:85 (explaining, e.g., in the field of athletic shoes “widespread use by different firms of a plethora of similar stripe designs has narrowed the breadth of protection afforded each mark such that any one such design on sports shoes is limited to substantially that identical design...mean[ing] that competitors...may come closer to such weak marks without violating the owner’s rights...”). Therefore, this factor favors Defendants. *Lipoplus, Inc. v. Kohan*, No. CV 18-10220 PSG (AGRx), 2019 U.S. Dist. LEXIS 229382, *12 (C.D. Cal. Dec. 19, 2019) (strength factor favors Defendants where similar marks in widespread use on similar goods and “Plaintiff has made no showing of secondary meaning that could fortify its argument for more protection.”).

B. Marc Jacobs and Nirvana Goods Are Not Sold in Proximity in the Marketplace.

The second *Sleekcraft* factor requires the Court to evaluate whether the parties’ respective products are: “(1) complementary; (2) sold to the same class of purchasers; and (3) similar in use and function.” *Network Automation, Inc. v. Advanced Sys. Concepts*, 638 F.3d 1137, 1150 (9th Cir. 2011). Here, while both

1 parties sell clothing—albeit at extremely divergent price points, and to different
 2 consumers in different outlets—there is no overlap between their offerings.

3 MJJ is a luxury fashion brand designed by Mr. Marc Jacobs, a much heralded
 4 American fashion designer. *SUF* ¶148. It is part of the world’s leading luxury
 5 goods conglomerate, the LVMH Group. *Id.* The brand creates, promotes, and sells
 6 womenswear, shoes, handbags, accessories, cosmetics, and fragrances throughout
 7 the world. *SUF* ¶149. MJJ luxury ready-to-wear, the Redux Grunge Collection and
 8 the Accused Products at issue here, are sold via its MJJ-branded brick and mortar
 9 retail stores, its e-commerce website located at www.marcjacobs.com, and high-end
 10 third party retailers such as Bergdorf Goodman, Saks Fifth Avenue, Neiman
 11 Marcus, Net-A-Porter, Ssense, Dover Street Market, and Corso Como. *SUF* ¶150-
 12 151. MJJ’ goods are labeled with MJJ’s famous trademarks, including, among
 13 others, the MARC JACOBS house mark. MJJ brand indicia appears all over the
 14 Accused Products, including the famous “MARC JACOBS” house mark and “MJJ”
 15 on the outside of the apparel, and “MJJ” on the inner tag, hangtag, and hangtag
 16 fastener. *SUF* ¶153, 163. The Accused Products were offered at retail at the
 17 following price points: (i) \$195.00 (sweatshirt); (ii) \$115.00 (t-shirt); and (iii)
 18 \$45.00 (socks). *SUF* ¶¶164-166. Items in the Redux Grunge Collection retailed for
 19 up to \$2,400.00. *SUF* ¶150. MJJ customers seek out MJJ products for fashion. *SUF*
 20 ¶154. As with all MJJ collections, great care went into marketing and
 21 merchandising the Redux Grunge Collection with meticulous attention to detail,
 22 including providing its retail partners with the detailed origin story of the collection
 23 steeped in Marc Jacobs history, along with directives on which particular buttons of
 24 a garment are to be buttoned *SUF* ¶155.

25 Plaintiff is not a fashion brand and does not design clothing. *SUF* ¶174, 181.
 26 Plaintiff is a holding company for the purported assets of the performing rock band
 27 formerly known as Nirvana. *Id.* It licenses the use of “NIRVANA” to third parties,
 28 such as Live Nation, the ticket sales and concert producer, to sell Nirvana-branded

1 promotional merchandise to fans of the band. SUF ¶¶179-180. Nirvana band
 2 merchandise is sold at budget and mass-market retailers such as Target, Wal-Mart,
 3 Kohl's, H&M, J.C. Penny, Hot Topic, and Forever 21. SUF ¶183. The average
 4 price point of Plaintiff's branded merchandise is \$15-\$75. SUF ¶185. The retail
 5 price of the t-shirt, sweatshirt, and socks bearing the Disputed Smiley adjacent to
 6 NIRVANA are as follows: (i) \$44.99 (sweatshirt); (ii) \$24.99 (t-shirt); and (iii)
 7 \$15.00 (socks). SUF ¶¶186-189. Nirvana merchandise is consumed by fans of
 8 Nirvana music seeking to communicate that they are fans of the band. SUF ¶179.

9 In sum, MJJ and Nirvana products are directed to distinct classes of
 10 consumers, at different outlets. The price points of MJJ and Nirvana products
 11 diverge significantly, with the MJJ sweatshirt and t-shirt nearly five times the price
 12 of the Nirvana sweatshirt and t-shirt, and the MJJ socks three times the price of
 13 Nirvana socks. MJJ customers seek out MJJ products for fashion whereas
 14 consumers of Nirvana goods are fans of the band simply want merchandise
 15 reflecting that. As a result, consumers will not encounter both MJJ and Nirvana
 16 products at the same time. This factor favors Defendants. Moreover, even if the
 17 parties' goods were proximate, this would not preclude summary judgment in
 18 Defendants' favor. *See e.g. Lipoplus, Inc. v. Kohan*, No. CV 18-10220 PSG
 19 (AGRx), 2019 U.S. Dist. LEXIS 229382, *13, *20 (C.D. Cal. Dec. 19, 2019)
 20 (granting summary judgment to Defendants on false designation and other Lanham
 21 Act claims despite fact that both parties offer plastic surgery services).

22 C. The Parties' Respective Designations Are Not Similar

23 Evaluation of the third *Sleekcraft* factor requires consideration of marks, not
 24 in isolation, but in their entirety "in light of the way the marks are encountered in
 25 the marketplace and the circumstances surrounding the purchase of the [products
 26 bearing the marks]." *Lindy Pen Co. v. Bic Pen Corp.*, 725 F.2d 1240, 1245 (9th Cir.
 27 1984) (differences in appearance of marks in marketplace including "dominance"
 28 of parties' house marks on products themselves and "all packaging and promotional

1 material” made defendant’s “Auditor’s fine point” mark “readily distinguishable”
 2 from plaintiff’s “Auditor’s” mark and not confusingly similar).

3 The designations at issue here plainly are not identical. SUF ¶¶175, ¶¶164-
 4 166. Any similarities between the parties’ respective designs are explained by the
 5 generic placement of quintessential elements of the commonplace smiley face
 6 design, namely, a line for an upturned mouth with a tongue, situated within a non-
 7 distinctive geometric circle. *Lipoplus, Inc. v. Kohan*, No. CV 18-10220 PSG
 8 (AGRx), 2019 U.S. Dist. LEXIS 229382, *14 (C.D. Cal. Dec. 19, 2019) (similarity
 9 factor favors defendants where common element of marks is one descriptive term).
 10 These shared elements are merely an aesthetic feature of the MJI Accused Products
 11 that would not be perceived as indicating source.

12 Critically, as in *Lindy*, the marks here are readily distinguishable when
 13 considered in the context in which the marks are encountered in the marketplace
 14 and in view of the circumstances surrounding the purchase of products bearing the
 15 marks. Here, the term NIRVANA is conjoined with the Disputed Smiley,
 16 emblazoned across the front of apparel products bearing the Disputed Smiley. SUF
 17 ¶¶207-210. Nirvana products bearing the Disputed Smiley are encountered
 18 exclusively in marketplaces permitting visual examination of the products
 19 themselves—either on Nirvana’s branded e-commerce site www.nirvana.com,
 20 retailer e-commerce sites that visually depict the products offered for sale, or in
 21 brick and mortar retail store settings. SUF ¶183. Similarly, MJI brand indicia
 22 appears all over the Accused Products, including the famous “MARC JACOBS”
 23 house mark and “MJ” on the outside of the apparel, and “MJI” on the inner tag,
 24 hangtag, and hangtag fastener. SUF ¶163. MJI Smiley Products are encountered
 25 exclusively in marketplaces permitting visual examination of the apparel itself.
 26 SUF ¶150. This factor favors Defendants.

27 D. There is No Evidence of Actual Consumer Confusion

28

1 The Ninth Circuit has advised that “lack of evidence about actual confusion
 2 after an ample opportunity for confusion can be a powerful indication that the
 3 junior trademark does not cause a meaningful likelihood of confusion.” *Cohn v.*
 4 *Petsmart, Inc.*, 281 F.3d 837, 843 (9th Cir. 2002) *quoting Nabisco, Inc. v. PF*
 5 *Brands, Inc.*, 191 F.3d 208, 228 (2d Cir. 1999) (affirming summary judgment for
 6 defendant due to the absence of likelihood of confusion); *Sleekcraft*, 599 F.2d at
 7 353 (absence of confusion factor weighs heavily “when the particular
 8 circumstances indicate such evidence should have been available.”).

9 Here, despite two years of coexistence, there has been no actual confusion
 10 among consumers. *SUF ¶¶171-173*. To date, Nirvana has produced no consumer
 11 survey, nor any other evidence that consumers have actually been confused by MJJ
 12 products in the marketplace. *Id.* Accordingly, this factor “heavily” favors
 13 Defendants. *Rock & Roll Religion, Inc. v. Cels Enters., Inc.*, No. CV09-5258 R
 14 (PLAX), 2010 U.S. Dist. LEXIS 147627, at *11-12 (C.D. Cal. Apr. 20, 2010)
 15 (“The absence of evidence of actual confusion can be weighed heavily when the
 16 particular circumstances indicate that such evidence should have been available.”);
 17 *Icebreaker Ltd. v. Gilmar S.P.A.*, 911 F.Supp.2d 1099, 1107 (D. Or. 2012) (factor
 18 favors alleged infringer where counterclaim plaintiff failed to “point to any
 19 evidence on the record of consumer confusion either through survey evidence or
 20 anecdotal evidence.”).

21 E. The Parties’ Respective Marketing Channels Differ

22 Under the fifth *Sleekcraft* factor “the Court considers the location of where
 23 the goods or services are sold as well as the sales and marketing methods
 24 employed.” *Oculu, LLC v. Oculus VR, Inc.*, No. SACV 14-0196 DOC(JPRx), 2015
 25 U.S. Dist. LEXIS 74666, at *45 (C.D. Cal. June 8, 2015). The fact that both parties
 26 sell goods online and at a retail level “does not establish convergent marketing
 27 channels.” *Rise Basketball Skill Dev., LLC v. K Mart Corp.*, No. 16-cv-04895-
 28 WHO, 2017 U.S. Dist. LEXIS 179695, *16-*17 (N.D. Cal. Oct. 27, 2017).

Here, the parties sell their goods through different channels and employ different marketing strategies. MJJ sells its clothing at MJJ-branded stores, through high-end retailers, and online direct to consumer via its branded e-commerce website marcjacobs.com. SUF ¶150. MJJ goods, and the Redux Grunge Collection in particular, was marketed via digital media (including Instagram), in-store installations, on billboards, wall murals and taxi tops, and in fashion magazines, among other outlets. SUF ¶160. Intricate and thoughtful brand stories regarding the collection are communicated in order to market the products. SUF ¶155.

In contrast, the Plaintiff itself does not design or sell any products. SUF ¶174. It licenses unidentified indicia to its exclusive licensee Live Nation, who in turn manufactures products that are offered for sale at mass-market and budget retailers like Target, Wal-Mart, Primark, Kohl's, H&M, J.C. Penny, Hot Topic, and Forever 21 and online at nirvana.com. Products bearing the Disputed Smiley are advertised exclusively on the Nirvana-branded website nirvana.com, and in music magazines. SUF ¶¶216-223. MJJ clothing is not sold at mass-retailers that sell Nirvana-branded clothing. SUF ¶183. The MJJ e-commerce site does not offer Plaintiff's products, nor does Plaintiff's website offer products of MJJ. SUF ¶151. The fact that both parties sell products online and at a retail level does not constitute evidence of marketing channel overlap. *Rise Basketball Skill Dev., LLC v. K Mart Corp.*, No. 16-cv-04895-WHO, 2017 U.S. Dist. LEXIS 179695, *16-*17 (N.D. Cal. Oct. 27, 2017). This factor favors Defendants.

F. Customers of Marc Jacobs Products Are Highly Sophisticated and Exercise a High Degree of Care in Making Purchasing Decisions

MJJ products—luxury women's ready-to-wear—are the relevant products for purposes of evaluating consumer sophistication and purchaser care. *See Rise Basketball Skill Dev., LLC v. K Mart Corp.*, No. 16-cv-04895-WHO, 2017 U.S. Dist. LEXIS 179695, *17 (N.D. Cal. Oct. 27, 2017) (in forward confusion cases, allegedly infringing products are “the relevant products” for purposes of evaluating

sixth *Sleekcraft* factor). The Ninth Circuit has repeatedly held that consumers of expensive products can be expected to exercise a high degree of care in making purchasing decisions. *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 353 (9th Cir. 1979) (“[W]hen the goods are expensive, the buyer can be expected to exercise greater care in his purchases.”).¹³ In particular, purchasers of clothing are often found to exercise a high degree of care in their buying decisions, especially where luxury goods are concerned. *See e.g. Icebreaker Ltd. v. Gilmar S.P.A.*, 911 F. Supp.2d 1099, 1107 (D. Or. 2012) (finding consumers likely to exercise higher degree of care when purchasing expensive designer clothing ranging in price from approximately \$180-\$3,000); *Rock & Roll Religion, Inc. v. Cels Enters., Inc.*, No. CV09-5258 R (PLAX), 2010 U.S. Dist. LEXIS 147627, at *12 (C.D. Cal. Apr. 20, 2010) (“[P]ersons purchasing clothing and apparel products generally exercise a relatively high degree of care.”); *Saks & Co. v. Hill*, 843 F. Supp. 620, 624 (S.D. Cal. 1993) (same); *Kookai, S.A., v. Shabo*, 950 F.Supp. 605, 609 (S.D.N.Y. 1997) (“...fashion-conscious” consumers “are likely to exercise a significant degree of care in purchasing their clothing, since the name of the particular designer is important in the fashion world.”).

MJI offers collections of designer clothing to fashion and brand conscious consumers. SUF ¶154. The intricate story behind each collection is communicated from MJI to its retailers for purposes of providing its clientele with the brand story and understanding they desire. SUF ¶155. MJI clothing is generally quite expensive in price, going up to as much as \$2,400 per item. SUF ¶¶159, 164-166. Indeed, the MJI t-shirt at issue was more than four more expensive than a Nirvana t-shirt, the sweatshirt was more than four times more expensive than a Nirvana sweatshirt, and

¹³ *See also E&J Gallo Winery v. Gallo Cattle Co.*, 967 F.2d 1280, 1293 (9th Cir. 1992) (“When goods are expensive, it is assumed that buyers will exercise greater care in their purchases.”); *Multi Time Mach., Inc. v. Amazon.com, Inc.*, 804 F.3d 930, 937 (9th Cir. 2015) (finding it “undisputed” that watches costing several hundred dollars are expensive)

1 the socks were three times more expensive than Nirvana socks. As in *Icebreaker*,
 2 this clothing is the type for which consumers would exercise a high degree of care
 3 due to the price and the designer. 911 F. Supp.2d at 1110. Finally, given the
 4 conspicuous brand indicia emblazoned on the products (SUF ¶163), a consumer
 5 using *any* degree of care is easily positioned to determine that MJJ goods originate
 6 with MJJ, as opposed to some other source. Accordingly, this factor favors
 7 Defendants.

8 G. There Is No Evidence of Intent to Profit By Confusing Consumers

9 MJJ did not utilize two non-distinctive elements of a generic smiley face
 10 design—a geometric circle, and an upturned mouth with its tongue extended—with
 11 knowledge that it was a trademark belonging to Nirvana, or with the intent to profit
 12 by confusing consumers. “In order to raise the inference of a likelihood of
 13 confusion, a plaintiff must show that the defendant intended to profit by confusing
 14 consumers.” *Toho Co. v. Sears, Roebuck & Co.*, 645 F.2d 788, 791 n.2 (9th Cir.
 15 1981) (noting intent to capitalize is insufficient and finding “the contention that
 16 [defendant] intend[ed] to confuse consumers [] implausible” where defendant used
 17 BAGZILLA with its house mark “only to make a pun” referencing plaintiff’s
 18 GODZILLA mark).

19 Nirvana’s trademark is not registered at the state or federal level. SUF ¶177.
 20 The MJJ house marks appeared no less than four times on the products at issue.
 21 SUF ¶163 ; *Lindy Pen Co. v. Bic Pen Corp.*, 725 F.2d 1240, 1245 (9th Cir. 1984)
 22 (finding use of “prominent house marks and logos” weighed against likelihood of
 23 confusion). MJJ is a world famous and widely respected fashion house, with no
 24 intention of trading on mass-market retail clothing of lower quality and price. *M2*
 25 *Software, Inc. v. Madacy Entm’t*, 421 F.3d 1073, 1085 (9th Cir. 2005) (intent factor
 26 favors defendant where defendant had decades of experience and expertise
 27 producing the relevant goods such that no trier of fact could find it had any
 28 intention of capitalizing on plaintiff’s federally registered mark). As set forth

1 above, the consuming public does not associate the Disputed Smiley—a mere
 2 variation on a commonplace symbol in widespread commercial use in connection
 3 with clothing and other products—with Plaintiff. It necessarily follows that MJJ did
 4 not use an iteration of that design for purposes of profiting from any goodwill of
 5 Nirvana. Put simply, Nirvana has no brand recognition in the Disputed Smiley to
 6 appropriate. This factor favors Defendants.

7 H. There Is No Evidence That The Parties Will Expand to Compete in the
 8 Same Market

9 The final *Sleekcraft* factor examines whether either party may expand its
 10 business to compete with the other. 599 F.2d at 354. MJJ, a luxury brand, does not
 11 intend to license its name in connection with the offering of inexpensive clothing at
 12 mass-market retailers. There is nothing in the record to suggest that Nirvana intends
 13 to enter the luxury fashion market. SUF ¶248. Therefore, this factor favors
 14 Defendants. *Rise Basketball Skill Dev., LLC v. K Mart Corp.*, No. 16-cv-04895-
 15 WHO, 2017 U.S. Dist. LEXIS 179695, *21 (N.D. Cal. Oct. 27, 2017).

16 In sum, there is no evidence in the record that consumers are likely to
 17 associate the products of MJJ and Nirvana, or conclude that such products originate
 18 with the same source. *Survivor Media, Inc. v. Survivor Prods.*, 406 F.3d 625, (9th
 19 Cir. 2005).

20 **VI. Nirvana's Claims Under California Common Law Similarly Fail**

21 The absence of a valid, protectable trademark is dispositive of Plaintiff's
 22 remaining claims for trademark infringement and unfair competition under
 23 California common law. *Amusement Art, LLC v. Life Is Beautiful, LLC*, 2016 U.S.
 24 Dist. LEXIS 165429, *23 (C.D. Cal. November 29, 2016) (granting summary
 25 judgment to defendants on Lanham Act and common law infringement and unfair
 26 competition claims where plaintiff's asserted mark "is not actually a source
 27 identifier..."). The lack of likelihood of confusion is similarly dispositive. *Rock &*
 28 *Roll Religion, Inc. v. Cels Enters., Inc.*, No. CV09-5258 R (PLAX), 2010 U.S. Dist.

1 LEXIS 147627, at *14 (C.D. Cal. Apr. 20, 2010) (“The test for trademark
 2 infringement and unfair competition under state, federal, and common law is
 3 whether there will be a likelihood of confusion...Because the Court finds no
 4 likelihood of confusion...[counterclaim defendant] is entitled to judgment on all
 5 Common Law Trademark Infringement and Unfair Competition claims.”).

6 As the foregoing demonstrates, Plaintiff has failed to satisfy its burden of
 7 presenting the Court with evidence supporting the following two key elements of
 8 its trademark claims: (1) the existence of a valid, protectable trademark; and (2)
 9 likelihood of consumer confusion. As such, Defendants are entitled to adjudication
 10 in their favor as a matter of law on the second, third, and fourth causes of action in
 11 the Complaint.

12 **VII. This Is an Exceptional Case Under the Lanham Act, and Defendants**
 13 **Should Be Awarded Their Attorneys’ Fees**

14 The matter of Robert Fisher’s ownership of the designation in which
 15 Plaintiff claims trademark rights is currently pending. Should the Court rule in
 16 Defendants’ favor on the instant Motion, Defendants respectfully seek additional
 17 briefing to demonstrate to the Court why this case is exceptional so as to qualify
 18 Defendants for an award of their attorneys’ fees.

19 **VIII. CONCLUSION**

20 For the foregoing reasons, Defendants respectfully request that the Court
 21 grant the present motion for summary judgment, dismissing all of Plaintiff’s claims
 22 with prejudice, in their entirety, as a matter of law, and granting Defendants’
 23 counterclaim for declaratory relief, in its entirety, as a matter of law.

1 DATED: November 2, 2020

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